



# THE INDEPENDENT

Wednesday 26 November 1997 (IR50p) 45p No 3,466

## Brown helps poor, and warns the rest

- **Advance corporation tax** will be abolished from April 1999 and replaced with quarterly corporation tax payments for larger companies. Mainstream corporation tax is to be reduced by 1 per cent to 30 per cent — said to be the lowest rate of any major industrialised country.
- **Cold-weather payments for pensioners:** Pensioner households were promised a flat rate of £20 this winter to pay for extra heating as well as the usual Christmas bonus. People on income support will gain an extra £50.
- **Environmental taxes:** The VAT rate on energy-saving materials is to be cut from 17.5 per cent to 5 per cent. Plans for a "greener" tax system are promised for next week's Kyoto summit.
- **Child care:** A five-year plan to provide child care for 1 million children in 30,000 childcare clubs at a cost of £300m was announced.
- **Tax avoidance:** Detailed measures were promised in the next Budget to reform capital gains tax and to root out tax avoidance.

Full coverage, pages 15-18

Gordon Brown yesterday gave pensioners, lone parents and the unemployed a surprise down-payment on Labour's One Nation pledges. With backbench critics delighted, Anthony Bevis and Diane Coyle examine the Chancellor's first pre-Budget statement.

Winter heating help for pensioners, a 10-fold increase in childcare places for lone parents, and a half-price bus and rail fare scheme for young people helped into work or training under Labour's New Deal jobs programme yesterday delivered a much-needed morale-boost for Labour ministers and MPs.

The Chancellor of the Exchequer said at the end of a Commons statement outlining consultative plans for next spring's Budget: "This is a Government that keeps its promises and is prepared to take action where action needs to be taken."

Following a spate of announcements and media speculation that the Treasury was planning a slash-and-burn policy for some of the fundamentals of the welfare state, Labour MPs greeted the good news with spontaneous cheers of relief. There was even a congratulatory pat on the arm from Tony Blair.

The statement was greeted warmly by business, too, pleased by the tough stance on government finances and a surprise cut in corporation tax. But business leaders tempered their reaction by warning that the tax change would cost industry billions of pounds in the first instance.

The political heart of the statement offered the switch of a European Union payments dividend of £400m to help pensioners with winter fuel bills; an extra £20 for every pensioner household this winter and next winter, with £50 extra for the 2 million pensioner households on income support. But there was more for the poorest pensioners — a promise of action to encourage the other 1 million pensioner households who do not claim their income support, about £15 a week, to take up their benefit entitlement.

For lone parents, Gordon Brown extended the welfare-to-work programme from those with school-age children to all lone parents and, to meet backbench criticism, every

single parent coming on to benefit from April will be offered help to find work. The big surprise, however, was on child care. Harriet Harman, Secretary of State for Social Security, will today give details of a £300m lottery-funded programme to set up as many as 30,000 new out-of-school clubs for nearly 1 million children of lone-parent families.

Mr Brown also announced the go-ahead for detailed work on a tax-credit system, and a new national insurance structure for the low paid, intended to eradicate the poverty trap deterrent to work under which some people lose more than a £1 for every extra £1 they earn.

Mr Brown warned that there would be no relaxation of Treasury disciplines on the economic front. "We must all be long-termists now," he said. "The reforms we are introducing will take time. But it is in no one's interest if today's pay rise threatens to become tomorrow's mortgage rise."

Peter Lilley, the shadow Chancellor, prompted Labour cheers, and Tory cheers, when he welcomed the good economic news of the statement, which he told the House, was the "golden economic legacy which we bequeathed this government". But he also said Mr Brown was offering little comfort for the typical home-owning family who faced £650-a-year higher bills from increased interest charges, a cut in mortgage tax relief and extra burdens on pension funds.

The Liberal Democrat Treasury spokesman, Malcolm Bruce, said later: "Budgets should involve both income and expenditure, but this is the Polo mint Budget, with a hole in the middle where the extra spending on schools and hospitals ought to be."

The business and financial markets gave the Chancellor's statement a favourable reaction, with a wide welcome for a surprise announcement of a further cut in the corporation tax rate, along with abolition of advance corporation tax from 1 April 1999. However, there was great concern about how much a switch to quarterly payment of corporate taxes would cost business during the transition period. Apart from that worry, Mr Brown's performance got good reviews beyond Westminster and Whitehall. In the City, the updated forecasts for the economy and the public finances were seen as an exercise in deliberate caution.

## PAY RESTRAINT: WHO CARES?

Gordon Brown included a long section in his speech appealing for pay restraint from business leaders and the rest of the country. In it, he said:

"It is in no one's interest if today's pay rise threatens to become tomorrow's mortgage rise. The worst form of short-termism would be to pay ourselves more today at the cost of fewer jobs tomorrow and lower living standards in the very near future. So wage responsibility is a price worth paying."

"It is moderation for a purpose... This means responsibility, not just on the shop floor but also from Britain's boardrooms upwards — where in the interests of all there must be moderation not excess and where an example should be set."

"So what do the people at the sharp end of the Chancellor's message make of it?"

Bob Semple, equity strategist at NatWest Markets, said: "All he is doing is talking tough. Labour has been going on about boardroom excess for years but it can't do much about it. Nobody complains when Alan Shearer or Elton John get paid a for-

ture. If it comes to actually helping to drive a company forward it's another thing."

Siemens, the German electronics and engineering giant, which has spent more than £1bn on its computer chip plant on Tyneside said that substantial wage increases were often the only way to find the best people. A spokesman said: "You have to compete and pay the right people. At the end of the day the labour market is a free market. There's a finite pool of people and you have to entice them."

Str Ross Backland, chief executive of Unigate, the dairy group, who received a 5 per cent increase to £462,000 last year and another 5 per cent increase since then, said: "I think the vast majority of British boardrooms have set a good example with increases not dissimilar to those awarded to most of the workforce."

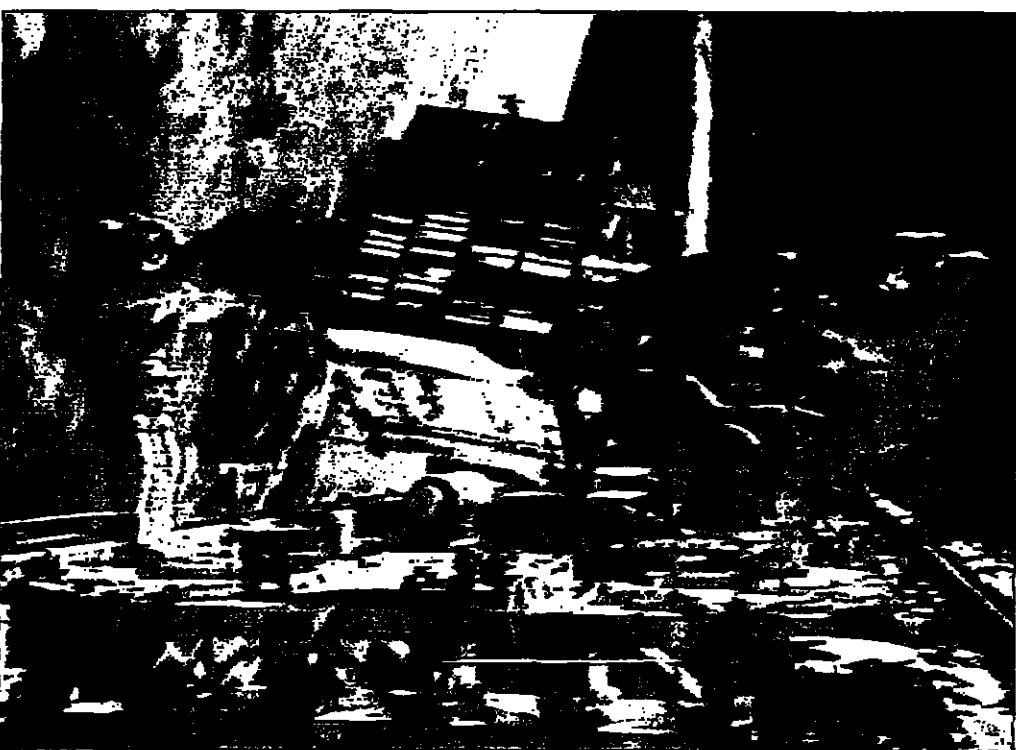
Rodney Bickerstaffe, leader of Unison, the country's biggest public service union, said he wanted low-paid employees to see the benefit of the upturn in the economy and the increasing flow of tax into the Exchequer.



Two astronauts played catch in space with a satellite...



... to stow it safely on board the shuttle Columbia



Further steps for mankind: Top — The Japanese astronaut Takao Doi (right) and American astronaut Winston Scott prepare to retrieve a satellite and place it in the payload bay of the space shuttle Columbia on Monday. The errant solar observatory tumbled out of control after its release on Friday.

Centre: The two crew members of Columbia begin their recovery of the Spartan-201.

"I just had to stop by and pick up a satellite. I'll be home by supper-time," said the American astronaut Winston Scott to his wife, watching at mission control in Florida. He would have been a little late: it took an hour before he and Japanese astronaut Takao Doi reached out and grabbed the 1.3-tonne Spartan satellite as it orbited the Earth at 2am yesterday.

The rescue was a huge relief for the astronauts — especially Doi, who was the first Japanese to go on a spacewalk.

The trouble with Spartan, an observation satellite that cost \$10m (£6.13m), began almost as soon as it was released from the Shuttle last Friday. It was intended to fly free

of the Shuttle for two days, studying the outer atmosphere of the Sun, in conjunction with another solar observatory called Soho.

But first it had to perform a manoeuvre to show that its control system was working — but didn't.

The astronauts tried to retrieve it using the shuttle's robot arm, but hit it and sent it spinning. The reason for the control system failure could be human error or a computer fault, Nasa said yesterday.

The shuttle approached Spartan from below, flying in close formation for about 90 minutes before it was correctly positioned for the rescue. The spacemen leaned back on opposite sides of

Columbia's cargo bay, Spartan hanging in space over their heads, as the mission commander, Kevin Kregel, inched Columbia to within arm's reach of the ailing satellite.

"OK, standby, standby, capture. I've got my end," Scott said. "I've got my end," echoed Doi as each grabbed hold of Spartan's protruding telescope tubes.

The rescue was made easier because the satellite's spin had slowed to a near stop. But Manhandling the bulky spacecraft onto a cradle in the shuttle's cargo bay proved tricky, and needed help from the robot arm.

— Charles Arthur, Science Editor

## INSIDE TODAY

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## TODAY'S NEWS

### Woodward could be home for Christmas

The British au pair Louise Woodward could be home for Christmas after new legal moves in the United States. Prosecutors filed an appeal against the decision of Judge Miller Zobel to reduce her conviction for second-degree murder to manslaughter and a hearing could be held as early as next week. If the District Attorney fails in his bid to have the decision overturned 19-year-old Louise could be on the way back to Britain.

Her lawyers are filing their own appeal against the manslaughter conviction, but there would be nothing to stop her leaving the US to await a hearing, which could take up to a year.

The prosecution request, contained in nearly 50 pages released yesterday, was framed by a long and searing indictment of Judge Zobel and of his motives. It suggested in particular that by setting her free, he had "in effect, treated the defendant as though she had been acquitted" by the court.

— David Usborne

### Boozers and hypocrites

The latest survey of the most popular social pastime in Britain shows that binge drinking is epidemic yet most people find drunkards offensive. One million men and 190,000 women said they got drunk at least once a week — and those were the ones who admitted it. When asked what they meant by drunk most said "not in control." Yet the survey also revealed that more than half of men and more than two thirds of women said they might leave a party because people were getting drunk. Page 2



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## COLUMN ONE

### Bottoms up as Britain carries on drinking

Drinking, like sex, is something people enjoy when they are doing it but are censorious about when they are not. The latest survey of the most popular social pastime in Britain shows that binge drinking is epidemic yet most people find drunkards offensive.

One million men and 190,000 women said they got drunk at least once a week - and those were the ones who admitted it. When asked what they meant by drunk most said "not in control".

Yet the survey of 1,600 adults, conducted for the Health Education Authority, also revealed that more than half of men and more than two thirds of women said they might leave a party because people were getting drunk.

Binge drinking is fraught with danger. It causes accidents, injuries, blackouts, memory loss, alcohol poisoning, violence, crime, sickness, hangovers and behaviour that gives cause for regret, the Health Education Authority said. Yet few are put off. The survey showed how socially acceptable getting drunk was.

The habit is commonest among 16- to 24-year-olds, with four out of ten young men downing the equivalent of four or more pints at least once a week, enough to put the average man's blood alcohol level at least 50 per cent over the drink-driving limit. More than a quarter of young women said they downed three pints or their equivalent at least once a week.

The best advice for drinkers, as the party season approaches, is to take regular "drink holidays" - days when no alcohol is consumed at all to give the body time to recover. It takes the liver an hour to metabolise half a pint of beer or equivalent, so after a heavy session it can be 12 hours before the liver gets back to normal.

At least one or two drink-free days a week can prevent it becoming overloaded.

The authority published a series of steps people can take to control their drinking. They include: work out a daily limit and stick to it, do not let people pressure you into having another drink, skip rounds or choose alcohol-free drinks during some of them and do not drink on an empty stomach.

All this is to be made easier to follow with a series of post cards aimed at underage drinkers entitled "puke", "snog", "prat" and "scrap" - to be distributed, in an unhappy coincidence, in cinemas showing the Spice Girls movie.

Andy Seale, campaign manager, said: "Getting drunk is more than a health risk. It can damage your career, your studies, relationships, reputation and self-respect." Yet 1.2 million people still do it every week. Funny that.

— Jeremy Laurance

## PEOPLE



### Woman refused job by M&S claims race bias

Adele Martins, a black fashion buyer, took a discrimination case against Marks and Spencer to the Court of Appeal in London yesterday claiming she failed to get a job because of the famous store's "white middle class attitudes".

The 31-year-old (pictured above) was said to have been a victim of the "climate of unrecognised discrimination amongst middle management".

Ms Martins, from Wandsworth, south-west London, applied for a job as a trainee buyer after nearly five years' experience as an assistant fashion buyer.

However, the court was told that this background had been dismissed by the M&S interviewers as being with a "relatively indistinguished fashion outlet". Ms Martins had been working for Woolworth's.

Ms Martins' barrister, Ian MacDonald QC, said she had complained to an industrial tribunal which ruled there had been racial discrimination, awarding

her £3,000 for injury to her feelings and giving her leave to apply for compensation for other losses.

The panel said she did not get the job because of her ethnic origin and that although the company had taken steps to counter the perception of it as "a white middle class organisation", it had had little impact on the staff's ethnic mix. There was said to be a "climate of unrecognised discrimination amongst middle management".

In May last year an Employment Appeal Tribunal ruled that the initial tribunal's findings had been "perverse" and said M&S had taken reasonable steps to get rid of racial discrimination.

The store says Ms Martins, who is trying to overturn the EAT's decision, was not chosen for the job because of her poor performance at the interview. The hearing was adjourned until tomorrow.

— Michael Streeter

### 'Starlight Express' dancer loses damages fight

A top dancer in the roller-skating musical *Starlight Express* yesterday lost her High Court damages action over an onstage fall which ended her career.

Caron Davis, 31, was introducing her character, Dinah, to the audience during a show when the toe-stop on her right skate failed to brake and she fell.

Ms Davis (pictured), who used the stage name Caron Cardelle, claimed that The Really Useful Theatre Company Ltd was negligent in not doing more to stop the stage being slippery by keeping it dust-free.

She wept as she described how damage to ligaments in her back meant she had to abandon the



work she loved and become a reflexologist. The company, which manages the Andrew Lloyd Webber musical at the Apollo Victoria theatre in London, denied

liability and claimed the March 1994 accident was caused by Ms Davis's lack of concentration. Judge Christopher Harnden QC found that there was no breach of statutory duty or negligence established against the company.

Ms Davis's allegations that fluff was deposited by the air-conditioning or a new carpet were both "red herrings", he added.

The judge, sitting in London, said that although the stage was more slippery than usual the night Ms Davis fell, the theatre did all that was reasonably possible to keep the stage safe.

Ms Davis, of Ruislip, west London, who was funded by her union, Equity, was ordered to pay costs.

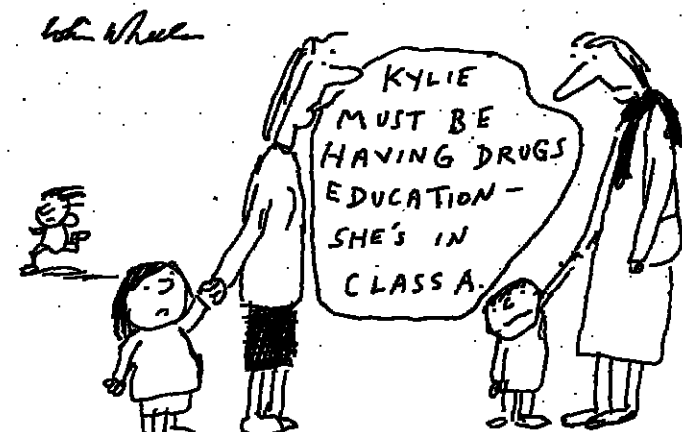
## UPDATE

### HEALTH

#### Early drugs education works

Children as young as eight should be targeted with warnings about the dangers of illicit drugs and smoking, according to an official report published yesterday.

Home Office research showed youngsters who were given weekly drugs education lessons when they were aged eight to ten were less likely to have used illegal drugs or smoked by the time they were 14. The findings were based on the evaluation of 76 children from Hackney, east London, who took part in Project Charlie (Chemical Abuse Resolution Lies In Education) in 1990-92. They found that the children had more negative attitudes towards drugs and were better able to resist peer pressure.



### LAW

#### Disabled denied justice

People with learning disabilities are being failed by the British justice system, according to a new study published today.

Mencap, the mental health charity, claims people with learning disabilities are not being treated fairly by the law, often because they are not regarded as credible witnesses. It means that some allegations of serious crime are never properly examined by the courts.

The study, *Barriers to Justice*, found 96 per cent of barristers were not trained on learning disability, although 76 per cent had represented a client with a difficulty. Just over a third of police officers had received some training, but 71 per cent of police thought it had not helped them in dealing with people with learning disabilities.

— Louise Jury

### EDUCATION

#### Pupils struggle with languages

Results of teacher assessments of 14-year-olds in subjects other than English, maths and science, which are published for the first time this year, show a wide range of achievement.

Just under three-quarters of pupils reached the expected standard in art and physical education and two-thirds did so in music. But only just over half reached the standard in history, geography, design and technology and modern languages and only half did so in information technology. Girls did better than boys especially in design and technology, history, music and modern languages.

### TOURIST RATES

Australia (dollars)	2.36	Italy (lira)	2,813
Austria (schillings)	20.06	Japan (yen)	212.02
Belgium (francs)	58.96	Malta (lira)	0.62
Canada (\$)	2.33	Netherlands (guilders)	3.21
Cyprus (pounds)	0.83	Norway (kroner)	11.72
Denmark (kroner)	10.93	Portugal (escudos)	290.28
France (francs)	9.56	Spain (pesetas)	241.23
Germany (marks)	2.86	Sweden (kroner)	12.56
Greece (drachmas)	455.87	Switzerland (francs)	2.31
Hong Kong (\$)	12.66	Turkey (lira)	303,782
Ireland (pounds)	1.09	USA (\$)	1.64

Source: Thomas Cook  
Rates for indication purposes only

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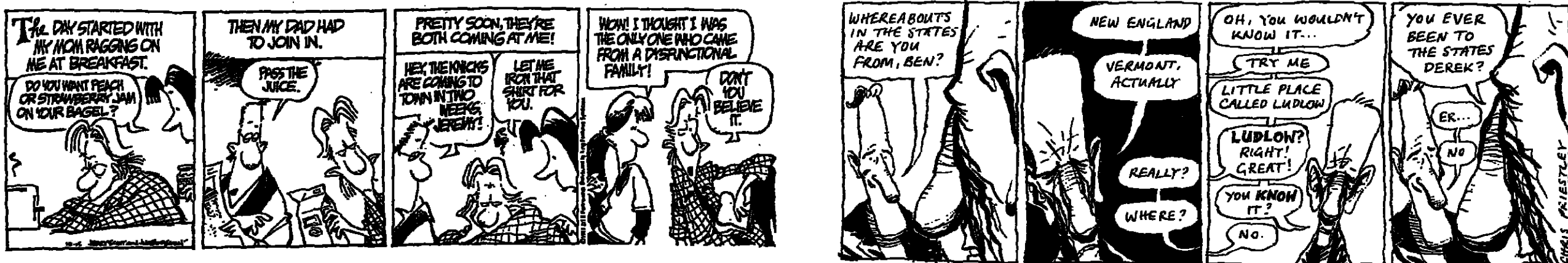
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by Jerry Scott & Jim Borgman

7.30 FOR 8

by Chris Priestley



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## College release

The colleges chief accused of supplying private pensions to his organisation's list was yesterday by MPs. Our Education Correspondent, who heard from his innocence.

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# 3/LEADING STORIES

THE INDEPENDENT  
WEDNESDAY  
26 NOVEMBER 1997

## IN TOMORROW'S INDEPENDENT

**Humphrey Lyttelton hasn't a clue why he's a cult**  
THE EYE

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FEATURES



**Marriage break-up: do schools make it worse?**  
EDUCATION+



**Colin Wheeler on the cartoon art of laughter**  
THE EYE

## Spencer divorce lawyers fight dirty

Following his wife's claims that he had committed adultery with 12 women, Earl Spencer's lawyers began fighting dirty yesterday in their bid to have the divorce heard in South Africa. Steve Boggan examines the evidence.



Lady Spencer: 'Could not handle £3.75m'

Lawyers for Earl Spencer hinted to a Cape Town court that they would fight Countess Spencer's claim for a £3.75m settlement on the grounds that she had been treated for alcoholism and eating disorders.

In a reference to the five months the former model had spent in a rehabilitation clinic fighting her problems, Leslie Weinkove, representing the earl said: "There is a question mark over her ability to manage such an award, given that she has a 12-step approach to life dealing with each problem day to day."

Reformed alcoholics and addicts are often given a 12-step programme to help them recover.

The hearing at Cape Town High Court will decide whether the couple's divorce case should be heard in South Africa or in England, where Earl Spencer's assets are greater and where, therefore, Lady Spencer's demands are more likely to be met.

The court was told by Earl Spencer's lawyers that Lady

Spencer, 32, the former model Victoria Lockwood, was incapable of coping with a huge divorce settlement and had a history of living for the moment. He has offered a settlement of £300,000.

For her part, Lady Spencer has alleged through her lawyers that her husband, the brother of Diana, Princess of Wales, admitted sleeping with 12 other women while she was receiving treatment. Yesterday, Jeremy Gauntlett, Lady Spencer's solicitor, described the initial allegations as "merely a summary... There will be more details of a serious kind and if it has to be drawn out, so be it."

The legal teams of both parties questioned a British family lawyer, Jeremy Posnansky,

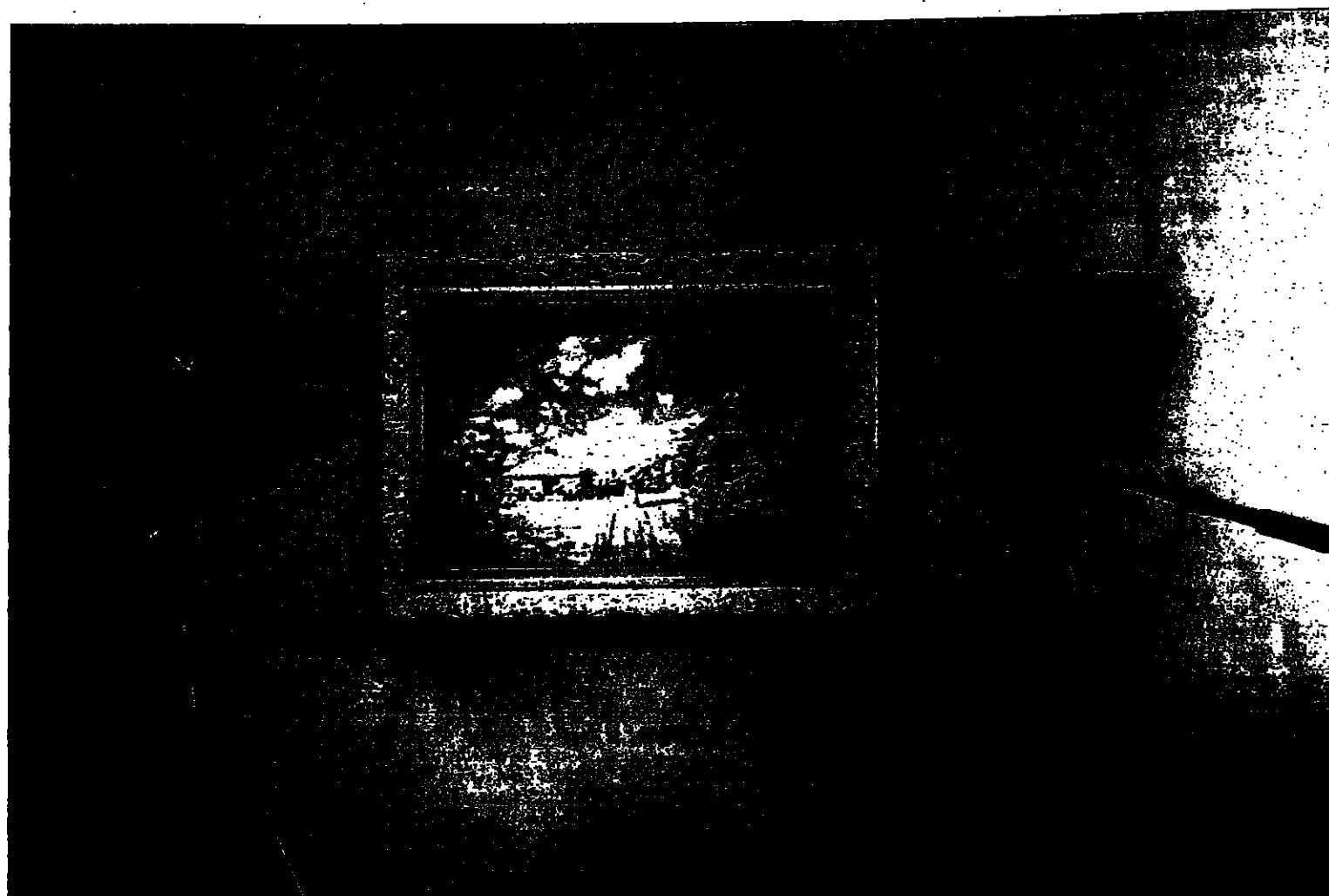
about the way divorce cases were held in Britain. When asked what kind of property £300,000 would buy in London, Mr Posnansky replied: "I'm not an estate agent, but I personally think £300,000 would only get a house in a very unattractive, distant suburb with problems such as crime."

Earl Spencer, 33, is reported to have a family fortune of £100m. Although much of it is tied up in property which cannot be sold, his income has been described as £6m.

During the hearing, in Court 17, he appeared relaxed and joked with lawyers while Lady Spencer looked tense and anxious. Neither party looked at the other.

They moved to South Africa in 1996 after tabloid newspapers published stories about his extramarital activities and his wife's treatment at the rehabilitation clinic. They married in September 1989 but now live in separate houses a few streets from each other in Cape Town. They have four children.

The London Evening Standard last night published a letter from Earl Spencer to Chantal Collopy, one of the women with whom he allegedly had an affair. She is now supporting Lady Spencer. The earl was said to be upset that sections of the letter were released on Monday which had him admitting to being "callous and vicious" and "a dreadful bully".



Rare sighting: Monet's *Sur les Planches de Trouville* went on public view at Christie's yesterday for the first time in a century. Photograph: David Rose

## Monet revealed to public after 100 years

A painting by Claude Monet which has not been seen by the public for a century is to be sold at Christie's next month.

The sale of *Sur les planches de Trouville*, which is one the

best examples of the artist's work seen at auction in London for a decade, is expected to raise £4.5m.

The work has been in a private collection since it was pur-

chased by the grandfather of the present owner in 1884.

It was painted by Monet in the 1860s, a time when he could barely afford canvas or brushes. At the time, he

worked on the beach at Trouville on the Normandy coast with his friend Eugene Boudin, who was making his fortune painting fashionable Parisians.

Jussi Pylkkanen, director of Impressionist and Modern pictures at Christie's, said: "The picture is a perfect representation of the Impressionist movement."

## Al Fayed backs down on libel action against 'Vanity Fair'

Mohamed Al Fayed, the owner of Harrods, has dropped his multi-million pound libel action against *Vanity Fair*. Although neither side would discuss the matter yesterday, Louise Jury says witnesses have been told they are no longer required to give evidence.

Michael Cole, Mr Fayed's smooth and often voluble spokesman, was staying silent. "He's got nothing to say on the matter," his office said. The public relations department of *Vanity Fair* in New York also refused to comment "at this point".

Lawyers on both sides of the

Atlantic were unavailable. But letters from Biddle, the magazine's solicitors in London, told potential witnesses that the legal action which has been running since 1995 was over.

Faced with an appearance in court set to out-leaze Jonathan Aitken and to rival Elton John and Jeffrey Archer in attention-grabbing headlines, Mr Fayed has backed down.

The irony is that when journalist Maureen Orth began her investigations, the starting point was the view in America that Mr Fayed had been victimised by the British establishment. But when the article came out in September two years ago, the portrait painted was much less sympathetic.

It detailed much of which has been widely reported about Mr Fayed - his battle for British citizenship, the critical Department

of Trade and Industry report into his business affairs, and his feud with Tiny Rowland. But it also alleged racism and sexual harassment and accused him of being obsessed with personal hygiene and of ill-treating his employees.

Mr Fayed was furious and sued. But where others have conceded defeat in the face of determined litigation by the Harrods owner, Condé Nast, *Vanity Fair*'s publishers, set about garnering further evidence. It is understood lawyers had taken interviews from dozens of people prepared or subpoenaed to give evidence of Mr Fayed's behaviour.

Private investigators were reported to have been engaged by both parties, and dark rumours circulated of the bugging and tracking of those who might have something to say.

About 10 days ago, the first indications emerged that Mr Fayed might be on the verge of discontinuing the action. *The Independent on Sunday* reported that negotiations between the two sides were at an advanced stage and that Mr Fayed was prepared to settle. A source said: "There's no shortage of witnesses. But I think they [*Vanity Fair*] take the view it's the practical thing to settle."

Meanwhile, Mr Fayed will be left with the worry of what was in the "evidence" gathered by Condé Nast. It is believed the magazine will refuse to hand over documents which would name those willing to testify.

But some British newspapers are understood to have interviewed the same witnesses and have been waiting for the resolution of the libel action before deciding whether to publish.

## Colleges chief quizzed by MPs over release of mailing list to private firms

The colleges chief accused of supplying a private pensions and insurance company with his organisation's mailing list was yesterday grilled by MPs. Our Education Correspondent, Lucy Ward, heard him protest his innocence.



Roger Ward: 'Flamboyant'

Roger Ward, chief executive of the Association of Colleges (AOC), denied before a Commons committee that he or any member of his publicly funded organisation had given names and addresses of principals, clerks and chairs of governors to a commercial company. MPs questioned Mr Ward following claims that while chief executive of the Colleges' Employer's Forum - AOC's parent

organisation - he passed the organisation's database to the healthcare insurance company Burke Ford Reed in 1995.

He is also said to have received payments of £650 a month from Burke Ford Reed. Mr Ward has denied the cash was in return for consultancy work, saying it was a rebate paid

to him by the company after it took over a firm of financial advisers which owed him money.

That allegation, and a further claim that he had used his position to promote a college lecturing agency, Education Lecturing Services (ELS), are being investigated by an independent firm of Newcastle-based solicitors on the instructions of the AOC board.

However, while denying the main allegations, Mr Ward acknowledged under questioning from Don Foster, Liberal Democrat education spokesman, that databases had been released outside his organisation.

The database was shared with "a number of people who share the interests of the further education sector", though not with ELS, he told the education sub-committee, which is examining the governance and funding of further education. "When

we have been approached by reputable companies who have a product or service we think would improve the efficiency of colleges... we try to make this available to all colleges."

The AOC, whose £2m annual income comes almost entirely from college subscriptions, had now written to its members asking whether they were content for the arrangement to continue, he added.

Mr Ward last week said he welcomed the inquiry and offered his "fullest co-operation".

His support for the use of agency staff by colleges in place of part-time employees has made him many enemies among lecturers, who claim the change will lead to increasing casualisation and poorer terms and conditions. Mr Ward's flamboyant, champagne-drinking image is also widely resented at the grassroots.

## SIEMENS

Oh...pink fluffy slippers!  
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## Slaughter of stags shocks anti-hunt campaigners

Animal welfare groups and the National Trust are outraged by the killing of more than half the stags on the Quantock Hills. There is also anger at a photograph of their severed heads, says Nicholas Schoon, Environment Correspondent.

The National Trust yesterday claimed the pro-hunting movement had scored a spectacular own goal with the shooting of most of the Quantock stags after the trust banned the pursuit of deer with horse and hounds on its land.

"It's an appalling thing, killing deer just to make a point," said the trust's chief spokesman Warren Davis. "I think this action is the death knell for deer hunting."

The Quantock Stagholders did not condone the killing but said it could understand what motivated the farmers, one of whom has told *The Independent* they will no longer tolerate the deer damaging their crops.

The *Countryside Alliance*, the nationwide field sports lobby group currently battling against Labour MP Michael Foster's anti-hunting Bill - which has its crucial second reading in the House of Commons on Friday, and it would outlaw both fox and stag hunting with dogs - also had some sympathy for the farmers.

"They are understandably angry, because hunting worked in terms of controlling the deer and it was supported by the lo-

cal," spokeswoman Janet George said. "The National Trust marched in with hobnailed boots, with no consultation, and banned hunting on its land on the basis of one scientist's report."

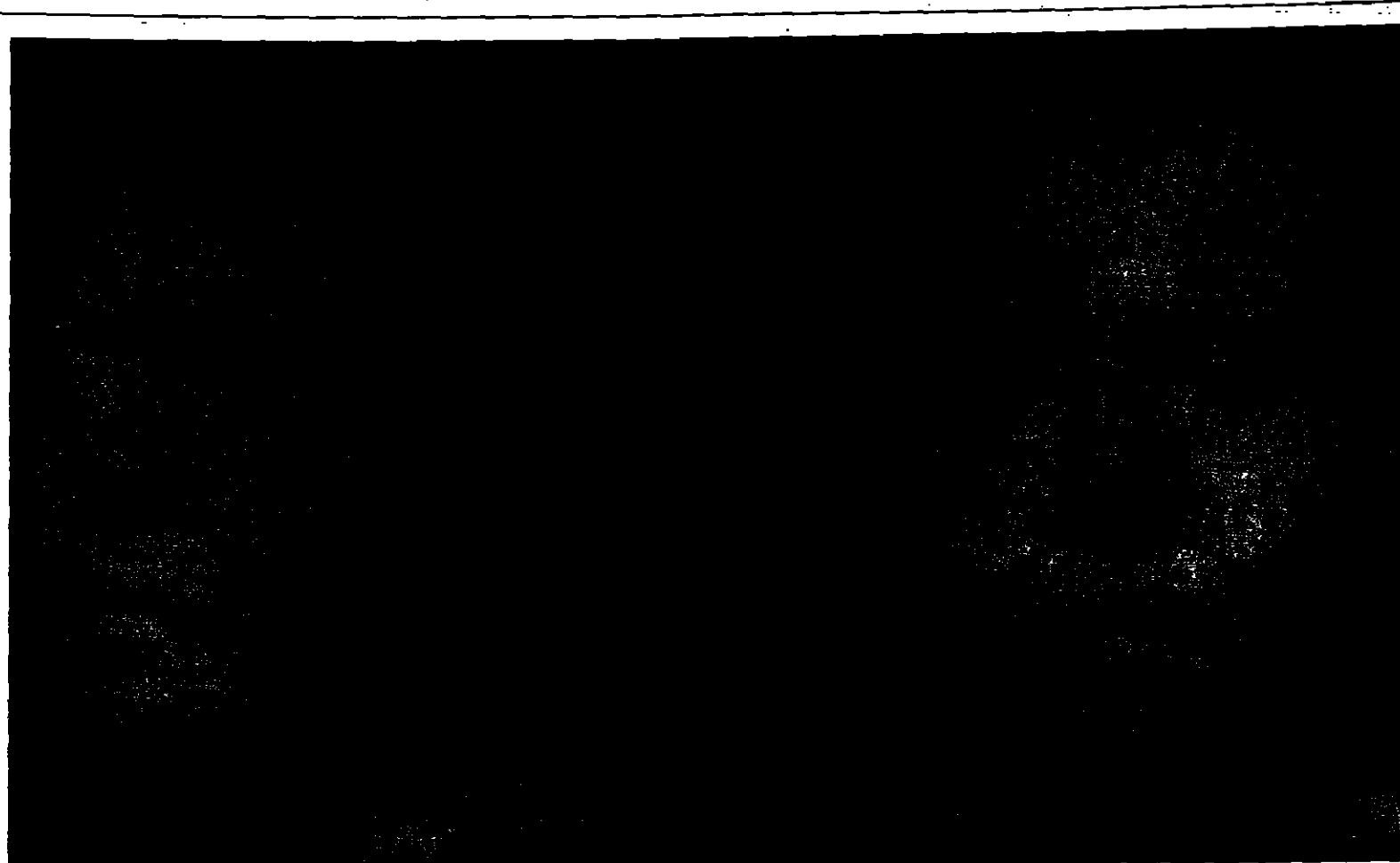
The full photograph of the severed stag heads, obtained by *The Independent*, shows 36. But it is thought that at least a dozen more have been shot along with several dozen hinds. The carcasses have been sold for game.

Arminel Scott, one of a group of Quantock residents campaigning against the stag hunt, who lives in Williton, said: "Killing these animals, then gathering all the heads together for a photograph, was a monstrous, spiteful act. The farmers have behaved like delinquent children smashing up toys."

The Royal Society for the Prevention of Cruelty to Animals, part of a coalition of animal welfare groups campaigning for the anti-hunting Bill, attacked the slaughter as "unnecessary and vindictive".

Shooting wild red deer in the West Country has been routine for decades, and kills considerably more than the region's three stag hunts. The NT, an important landowner in the Quantocks and on Exmoor, takes part because the deer population has to be kept down. Landowners, the hunt and the trust have collaborated to set cull quotas.

But what has happened in the past few weeks is an uncontrolled upsurge of shooting by farmers, who can legally kill deer entering their fields. If it continues, it could soon wipe out the herd. There is no evidence that the same thing is happening on Exmoor, but there are fears that it might.



Mystery in time: A computer-generated image of the face of a male skeleton found on remote moorland. Police believe the man - discovered by gamekeepers on Colsterdale Moor near Masham, North Yorkshire - died about 25 years ago and want help to identify him. Photograph: PA

## PM may soften blow of tobacco ban on sport

Hints of a compromise over plans to ban tobacco sponsorship emerged yesterday after sports bodies put their case to the Prime Minister. Fran Abrams heard the arguments.

Sports hit by the end of tobacco sponsorship could be offered a three-pronged package of measures designed to soften the blow, it emerged last night.

Details of a possible deal emerged after Tony Blair held a 45-minute meeting with representatives of sports including snooker, darts, golf, ice-hockey and angling. They had com-

plained that Formula One, whose chief executive Bernie Ecclestone gave £1m to Labour, had preferential access to Downing Street.

An increased phasing-in period for the ban, a taskforce headed by a minister to bring in alternative sponsorship and even possible concessions over the number of sporting events which must stay on terrestrial television, were suggested by the sports' representatives.

Last night they seemed optimistic about their chances of agreeing a compromise, although ministers said the details would be thrashed out at a meeting of EU representatives next Thursday.

Tony Banks, the sports min-

ister, said it would take four or five years to bring in the ban. The sports would prefer seven years - a time-span hinted at last weekend by Richard Branson, the Virgin chief, who is helping to find alternative sponsorship.

Maurice Lindsay, chairman both of Rugby League and the Central Council for Physical Recreation, said the sporting bodies had had a "fair hearing". They felt satisfied that Mr Blair understood the problems they would face if tobacco sponsorship was banned, he said.

"The Prime Minister listened very carefully to our arguments... I'm very confident that we will get a just response from the Government," he said. A new taskforce, headed by

a minister and almost certainly including Mr Branson, will bring together government, sports and industry in an attempt to find alternative forms of sponsorship.

A third possibility raised by sports yesterday is a softer position on the number of sporting events which must stay on terrestrial television.

The Government is pledged to extend the number of sports events that are safeguarded for terrestrial television and yesterday announced a taskforce, headed by Lord Strathblane, to look at the issue. Sporting bodies want assurances that events such as snooker, which will be hit by the ban, will not be further curtailed by being pre-

vented from doing lucrative deals with satellite stations. Mr Banks, who attended the meeting, along with the health minister Tessa Jowell, said afterwards that the government did not want to damage sport.

Representatives of the health lobby who visited Downing Street yesterday also came away optimistic though, saying they had been convinced of the Mr Blair's commitment to a ban on tobacco sponsorship.

The director general of the Cancer Research Campaign, Professor Gordon McVie, said Mr Blair had listened carefully to their arguments but added that the Formula One exemption was "most unfortunate".

## Army to cut Belfast patrols

Daytime army foot patrols are to be taken off the streets of West Belfast from today. RUC Chief Constable Ronnie Flanagan said the decision to reduce security was prudent.

"This is a move we consider it prudent to make in the present circumstances," he said.

Assessment on the need to continue mobile patrols and the accompanying of police patrols by troops would be kept under constant review, he said.

The move followed the withdrawal of 250 troops from Northern Ireland last week - the first since the IRA renewed its ceasefire in July. Members of the 3rd Battalion the Parachute Regiment were switched from their base in North Belfast to the Maze prison before the bulk of them returned to base England. The rest were put on guard duty at the top security jail.

The move follows several months of complaints from republican and other sources that the security forces had not reacted quickly enough to the IRA cessation of violence.

Security has been reduced, but many observers believe the run down has taken place at a slower rate than that which followed the first IRA ceasefire in August 1994.

Sinn Féin has complained that house searches, arrests and other security force activity had been running at a high level.

The security forces responded that the measures were being tailored to meet the level of threat from both loyalist and republican sources.

The three major paramilitary groups - the IRA, the Ulster Volunteer Force and Ulster Defence Association - have all declared ceasefires but smaller organisations on both sides of the divide have yet to do so.

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# 5/SEX EDUCATION

## Today's children want facts for life as tomorrow's adults

Sex education has been hotly debated in schools for decades. Pupils say that teachers do not tell them enough. Some teachers fear parents will complain if they go into too much detail.

A sex education pressure group will today call on the Government to make sex education lessons compulsory as part of Personal and Social Education (PSE). The Sex Education Forum, which is issuing a five-point charter, argues that sex education is about much more than the mechanics of reproduction, HIV and other sexually transmitted diseases.

It wants PSE to become a statutory subject when the national curriculum is revised in 2000 to include a much wider definition of sex education, for example, moral values and beliefs about sex.

Gill Lenderyou, the forum's senior development officer,

said: "We know that many teachers feel ill-equipped to deliver PSE programmes, and that sex education can often be sacrificed to the pressure of an overcrowded curriculum."

"We know that although very few parents withdraw their children from sex education, fear of parental disapproval and adverse media coverage can undermine the confidence of schools in developing and delivering sex education policies."

The charter says that teachers should be taught the skills and knowledge to support young people's personal and social development, and that there should be statutory guidance on teacher-pupil confidentiality.

Research shows that most pupils and parents think young people should learn about sex at school as well as at home.

— Judith Judd  
Education Editor



In black and white: A mother and her daughters reading magazines that some say are better than school on sex. Photograph: Ian Torrance

‘They only teach us about the life cycle of frogs.’

‘We ask questions but the teachers say ‘go and ask your dad’.’

‘How are my straight parents supposed to teach me about gay relationships?’

## Love and lust: the gossip and fears from the playground

Young journalists from the news agency Children's Express discuss sex education.

"Schools take the most basic of human desires and ignore it in the hope it will go away," explains 18-year-old Jay Burnett, summing up his experience of sex education.

"I received about three hours of sex education and none of it was useful."

Andrew Maher, 11, says that when children arrive in school, they already understand that "sex is when a man and a woman love each other and they want to have babies". However, as Clara Folan points out, teachers can wait until year six to raise the issue, and, even then, "they don't tell you about humans, only about the life cycle of frogs".

When human reproduction is taught, it is often too late for many girls who are already facing the realities of puberty.

"I haven't had my periods yet, but some girls in my class have," says Ana Mackay-Beasley, 10. "We talk about it so I know what I should do when I have a period."

Girls were left to piece together information for themselves.

Kierra Box, 12, agrees that current approaches are failing pupils. "In biology, sex is really clinical, it's just diagrams," she says. "Teachers say we'll talk about feelings, but they give up."

Stuart Fletcher, 13, believes sex education is treated as an unwelcome diversion. "You don't get to understand it fully because teachers cover it in three lessons and move on. We ask questions but the teachers say 'go and ask your dad'."

Senab Adekunle, 15, was doubtful that even the more confident teachers knew what young adults were really concerned about.

"It's basically, should I have sex? If I do have sex, how do I have it? How should I get my contraception? If I don't have sex, is he going to dump me? Is he still going to love me? That's what we need to know," she says.

adding that teenage magazines are streets ahead in matters of education. "An article called 'Am I Ready for Sex?' was serious and it made me think about whether giving him my virginity was worth it, and what the consequences might be."

"We didn't get beyond how to make a baby because pupils came from a mainly Muslim background. Teachers thought that if parents found out sex had been discussed, they might get into trouble," says Delwar Hussain, 18. "Sex is a big taboo in most Muslim homes."

For Lizzie, getting the facts straight is more important than avoiding the moral debate they raise: "I'm Catholic, but I believe that contraception should be taught anyway. It's like you can't have sex unless you're going to have kids, which just isn't the case these days."

"How are my straight parents supposed to teach me about homosexual relationships?" asks Jay Burnett, 18. "My teacher wasn't willing to discuss homosexuality. Instead, he encouraged everyone to talk to me."

Stuart, who attends a single sex school, highlights the difficulties faced by boys who, unlike girls, rarely feel able to talk to one another. "Pupils should have the option to go and talk to teachers outside school. If you want to discuss things like homosexuality it's better to do it in private rather than in front of your class," he says.

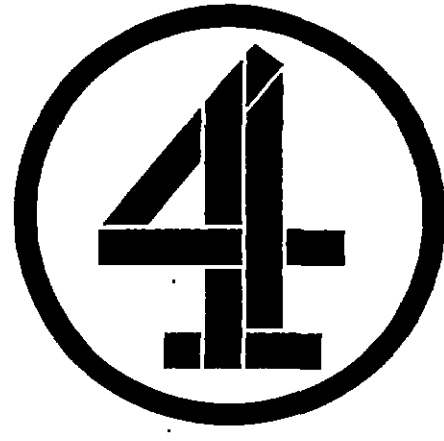
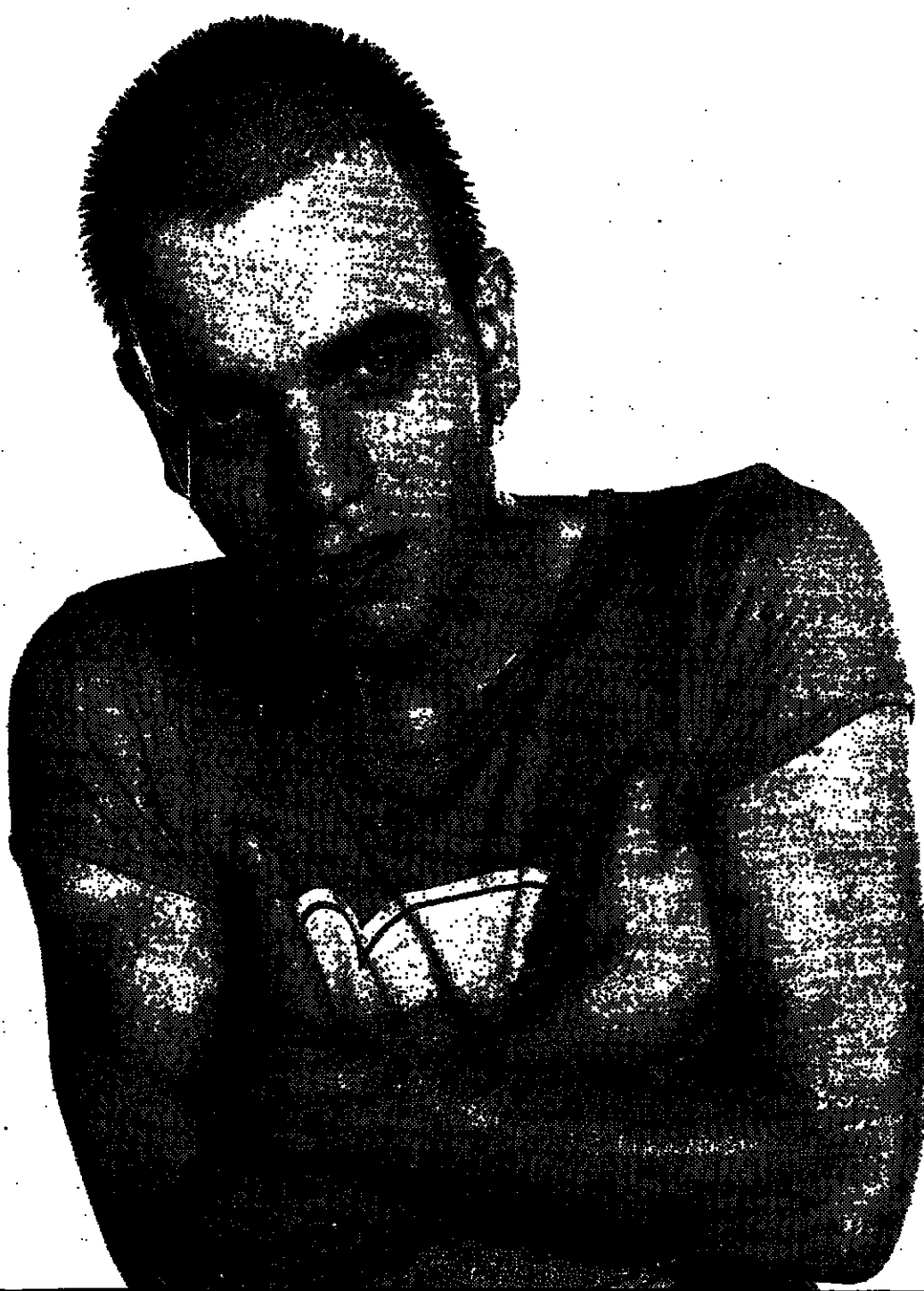
"Teachers need to concentrate on the cultural and the psychological side of things, the commitments and the one night stands, and to be able to explore myths and destroy them," concludes Jay.

Julia Press, 17, argues that: "Sex education should be a greater part of the national curriculum."

"This way, everything you learn about - the biology part, the emotional part, the homosexual part - would start with the basics in primary school and by the time you reach 15, you would know everything."

● Children's Express is a programme of learning through journalism for children aged eight to 18.

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# 7/WINNIE AT BAY

## 'I saw her raise her hand ... she was stabbing Stompie'

**Yesterday Winnie Mandela was for the first time confronted by a witness who claimed to have actually seen her kill the young activist known as Stompie. The accusations were flying on the second day of the Truth and Reconciliation Commission hearing.**

On a day in which Winnie Madikizela-Mandela was accused of murdering young activists and throwing their bodies down a disused mine shaft, it was still quite a moment.

In the middle of his testimony, Katiza Cebekhulu, a former member of the notorious Mandela United Football Club, suddenly stopped answering his lawyer. A murmur spread through the packed hall as he stared at the table diagonally opposite. "I saw her kill Stompie," he said pointing his finger at Mrs Mandela.

For two days, accusations of murder and violent assault have flowed at a special week-long hearing of the Truth and Reconciliation Commission, the body set up to expose the atrocities of the apartheid years, into the activities of Mandela United Football Club, the private bodyguard set up by Mrs Mandela in late 1980s, and who terrorised Soweto.

Already there have been alleged eye witness accounts of the Darling of the Struggle punching young activists who were accused of being spies, and of beating love rivals.

But Mr Cebekhulu, a crucial witness - accused with Mrs Mandela in the 1991 trial for the kidnap and murder of 14-year-old Stompie Sepele Moeketsi - is the first to claim he actually saw Winnie kill.

He says he was spirited out of the country by ANC officials on the eve of the trial which found Winnie guilty of kidnapping Stompie, but not murder.

Yesterday he claimed he saw Mrs Mandela stabbing someone in the garden of her Soweto home beside the jacuzzi, at around midnight towards the end of December 1988. "I saw her raise her hand twice," he said, adding that she was holding something. "It was something that was shiny ... and she was stabbing."

As Mrs Mandela looked on, stoneyfaced, he bought his arm down twice on the table to demonstrate the motion.

Mr Cebekhulu had been allowed to testify earlier than originally scheduled because he and his self-styled champion Baroness Nicholson were returning to Britain yesterday.

He claimed he chanced upon the murder after returning from the bathroom and that he scuttled back to bed terrified by what he had seen. The next day he claimed there were pools of blood by the jacuzzi. Stompie was missing.

Mr Cebekhulu claimed that three young men held captive with Stompie at Mrs Mandela's house had said that Gerry Richardson, Mandela United team captain and a devotee of Mrs Mandela, came and took Stompie during the night. Stompie was never seen alive again. Richardson is serving life for

Stompie's murder after admitting he slit the boy's throat. He is expected to give evidence to the TRC later this week, claiming he was instructed to kill Stompie by Mrs Mandela.

Mr Cebekhulu, accompanied by Baroness Nicholson, said Mrs Mandela personally ordered the assault on Stompie a few days before his murder after he was accused of being a police spy and of sleeping with local clergyman, Paul Verryn, now a Methodist bishop.

Mr Cebekhulu, the focus for Katiza's *Journey: The Missing Witness*, recently published by Fred Bridgland, said Mrs Mandela told him to claim he had been sodomised by Mr Verryn. He now says his accusations were lies, and that were used by Mrs Mandela to justify the kidnapping of Stompie.

Earlier, Mr Cebekhulu also claimed he saw Mrs Mandela, Richardson and other team members kicking and beating Lolo Sono, a Soweto teenager, with a sjambok whip in the garage of her home.

"She had a heavy whip in her right hand, which she was hitting him with again and again," he said. "I had no doubt he was dying". He corroborated the evidence of Lolo's father, Nicodemus, that Mrs Mandela turned up at his house with Sono battered and bruised and that she had said Lolo was a spy who would be dealt with by the movement. The youth was never seen again.

Mr Cebekhulu's evidence literally wiped the smile off Mrs Mandela's face. He was preceded by Xoliswa Falati, 45, a former friend of Mrs Mandela's, who now claims the

alibi she gave Mrs Mandela in connection with Stompie's death was false.

Ms Falati was emotional. She spat out the name of Mrs Mandela, saying she and her daughter had gone to jail to protect Mrs Mandela. "You don't know her," she repeated. "She thinks she is a demi-god."

One would have sworn Mrs Mandela, who giggled throughout Ms Falati's testimony, was trying to wind her up. "She is pointing at me that I am crazy," Ms Falati complained to Archbishop Desmond Tutu, TRC chairman.

Ms Falati claimed to have witnessed Winnie beating Stompie. In hearings which at times seemed surreal, she claimed she could point out a mine shaft where Winnie had dumped her victims. She was still begging the TRC to search the mine as she left the stand. Mrs Mandela's lawyers suggested Mrs Falati was unbalanced.

Strange it may seem, but it was Mrs Mandela who demanded this public airing of the allegations against her. The credibility of some witnesses yesterday suggested it was a gamble which might pay off.

In three weeks at the ANC annual congress, she will contest the deputy leadership of the party, putting her within striking distance of president of South Africa. The ANC leadership is against her standing. But many blacks - and some whites linking the hearings to former state president P W Botha's refusal to appear before the Commission. Why, they say, should Winnie answer if Mr Botha, the custodian of the system which persecuted her, does not?



Katiza Cebekhulu testifying during a special public hearing of South Africa's Truth and Reconciliation Commission in Johannesburg yesterday. He gave a searing account of seeing President Nelson Mandela's former wife stabbing a young boy to death

Photograph: Reuters

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## Menacing threats for MPs as Labour seeks party unity

Labour MPs are facing menacing threats, deception, and inducement as part of the party's determined effort to maintain a facade of disciplined unity. Anthony Bevis, Political Editor, reports on the remorseless crackdown against dissenters.

Some of Labour's new MPs are known as the "Stepford Wives", because they remind older colleagues of the tame housewives in the vintage American film who received regular doses of brainwashing to keep them mindlessly docile.

But the whips' machine is now beginning to exert a more sinister and totalitarian pressure on MPs who attempt to voice an individual opinion, challenging the Government line. In the curious jargon of the spin doctors, it is known as "going off message".

One of the first signs of "New Labour, New Discipline" emerged in the Commons on 6 November, when two strong-minded backbenchers, Alice Mahon and Alan Meale, quietly withdrew their names from a Commons motion criticising the Government's plans to cut lone parent child benefit.

Alice Mahon is parliamentary private secretary (PPS) to Chris Smith, Secretary of State for Culture, Media and Sport; Mr Meale is John Prescott's PPS.

After they signed the motion, all PPSs are said to have received a letter telling them that they are forthwith barred from signing motions. The menacing threat is that they either toe the line, or lose their unpaid posts as ministerial aides.

Under previous governments, PPSs could not criticise the particular departments to which they were assigned, or vote against the Government, but they were allowed views on other departmental issues and policy - even critical views. That is now banned.

Deception was used this week in an attempt to muzzle Robert Marshall-Andrews QC, the Labour MP for Medway who has put down a backbench motion criticising

the management of the controversial Millennium Dome project.

In an apparent attempt to defuse his criticism, the MP was invited by Peter Mandelson, Minister for the Dome, to attend a Commons meeting with Jenny Page, chief executive of NMEC, the project's management company.

Given his known criticism of the lack of accountability of the company, with MPs being refused access to accounts and contracts, Mr Marshall-Andrews was told he could ask questions at the meeting. The MP's Commons questions to Mr Mandelson have not been very fruitful and he hoped for some answers from Ms Page.

Instead, he was told by Margaret Hodge, the MP chairing the meeting, that it had been arranged by the London group of Labour MPs, and because he was not a London MP he was told that he could not only not ask questions - but he was ordered to leave the room.

The whips' use of inducement and inducement is more traditional, but has become endemic. David Rendel, Liberal Democrat spokesman on social security, yesterday noted that eight Labour MPs had so far withdrawn their names from the lone parents benefit motion.

Mr Rendel said: "It now seems that personal U-turn sessions with Mr Blair have been added to the list of ways New Labour intends to stop them expressing their own views."

Jim Fitzpatrick, MP for Poplar and Canning Town, and Phil Seward, of Kettering, who are among the eight, told *The Independent* that they had been urged to make their protest in private, rather than by showing public disunity and disloyalty: the blackmail stroke.

Other blackmail includes implied threats that MPs might not get future preferment for places on cherished select committees - in the gift of the whips.

A measure of the current climate of fear has been provided by a recent recruitment letter from Ian Davidson, secretary of the Tribune Group of Labour MPs, who says, only half in jest: "I have checked with the Chief Whip's office and membership will not blight your career."

"After all, we are not the [more Left-wing] Campaign Group!"

## Smith seeks end to wrangling over Stonehenge facelift

The Government wants to forge ahead with a facelift for Stonehenge - the huge Druid monument on Salisbury Plain - the Culture Secretary Chris Smith disclosed yesterday.

Red tape and rows over the location of a visitor centre have dogged past efforts to re-vamp the 5,000-year-old sacred site. The public has been barred from touching the stones for more than 20 years, and there was a series of violent clashes in the late 1980s with travellers who wanted to celebrate the summer solstice at the site.

The growing volume of heavy lorries on the nearby A303 road was thought to be making the ancient monument unstable.

Mr Smith wants to cut through the wrangling and press ahead with a solution to the Stonehenge problem in time for the Millennium.

"I hope we can see Stonehenge restored to a landscape without the 20th-century clutter that surrounds it at the moment," he told English Heritage yesterday at a meeting on the presentation of its annual report.

Mr Smith has sorted out security objections with the Ministry of Defence over nearby Lackhill military base. Last Monday he and Sir Jocelyn Stevens, the chairman of English Heritage, took a new plan to the local residents, to canvass their views for a range of options to make the site more attractive to visitors.

One idea is to build a new visitors' centre with a cafe and lavatories in a slight hollow, where it would not obstruct the view of the stones or be seen from the monument.

A Department of Culture spokesman told said: "Things are looking more hopeful now, but nothing will be imposed on the local people."

"The Secretary of State wants to broker a solution to the Stonehenge problem. This is one of England's most important historical sites and is listed as a World Heritage Site, so everything would have to be approved by a range of bodies."



Curtains: Wallace gives Gromit his marching orders as the award-winning Plasticine characters come to life this week in a family show which runs until 10 January at Sadler's Wells at the Peacock Theatre in London. Photograph: Laurie Lewis

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## Judge rules release of television film showing would-be suicide was lawful

In a landmark judgment yesterday the High Court ruled that a council was within its right to release to the media a CCTV film of a would-be suicide. But the judge emphasised that important civil liberties and privacy issues had been raised by the case. Kim Sengupta reports.

Geoffrey Peck says his life has been shattered since a film of him carrying a knife, about to slash his wrists, became an item of public consumption for millions of television viewers.

The footage from closed-circuit television was provided by Brentwood council in Essex. It was shown on Anglia TV and BBC1's *Crime Beat* which has viewing figures of more than 9

million. Mr Peck's features were not properly marked and he was identified by friends, acquaintances and neighbours.

The film, shot in August 1995, showed Mr Peck, 42, from Brentwood, Essex, walking along a street carrying a knife. At the time, the court was told, he was severely depressed. He has lost his job, and his partner Kerian, the mother of his young daughter, had been diagnosed as terminally ill. The film was shown on Anglia TV in October 1995 and on BBC1 in March 1996.

Both the Independent Television Commission and the Broadcasting Standards Commission agreed, that through human error, the privacy of Mr Peck had been infringed.

But yesterday, sitting at the High Court, Mr Justice Harrison dismissed an application by Mr Peck for judicial review by way of a declaration that the

council had acted unlawfully in distributing the film. His action had been backed by the civil rights watchdog, Liberty.

Immediately after the hearing Mr Peck and Philip Leach, a solicitor for Liberty, stated their intention to apply for leave to appeal, and if necessary take the case to the European Court of Human Rights.

Mr Justice Harrison said he had "some sympathy" for Mr Peck who had suffered an invasion of privacy which had caused distress and humiliation. The judge said it was a case with important implications for civil liberties and called for "effective guidance" to be given to prevent any future similar "undesirable" invasion of privacy.

He added: "Unless and until there is a general right of privacy recognised by English law - and the implications are there may soon be so by the incorporation of the European Convention on Human Rights into law - reliance must be placed on effective guidance being issued by codes of practice in order to try and stop such undesirable invasions of a person's privacy."

Mr Justice Harrison said that although the council did have power to distribute the CCTV film to show the public how successful the system was for crime prevention, he felt that with the "benefit of hindsight" the council might want to tighten their guidelines.

After the hearing Mr Peck said he was disappointed but not surprised. "It was a terrible thing to happen and all I wanted to do was to make sure that other people do not suffer the same kind of thing. My life has been shattered by what has happened. But we are not going to give up, we shall continue the fight through legal channels," he said.

## Whitehall steps into cyberspace

The Government will next month launch the first stage of a giant classified information network linking half a million civil servants across the country. Ian Burrell reports on steps being taken to ensure that the system does not allow state secrets to fall into the wrong hands.

In the London offices of one of the Government's least-known agencies, the Central Information Technology Unit, research is under way which will revolutionise the workings of British government.

With the help of computer giant Microsoft, a system is being devised to enable the country's 497,000 civil servants to

communicate with each other electronically.

Known as the "Government Intranet" it will be Britain's biggest internal computer system. Civil servants will be encouraged to use it to correspond with members of the public by e-mail.

David Clark, the Chancellor of the Duchy of Lancaster, who as the head of the Cabinet Office is overseeing the project, told *The Independent*: "Our ultimate aim is to give seamless service to the citizen. We can only do that by departments working together... using the latest in information technology."

But he admitted that strenuous efforts are having to be taken to ensure that classified information is not intercepted by unauthorised parties. "We have done two years of extensive testing and are convinced the system is secure," he said.

Officials are working to ensure that even highly classified material can be transmitted electronically in an encrypted form. This will inevitably lead to the end of the ministerial red box, now regarded as too heavy to carry around and susceptible to breaches of security. Ministers have already been forbidden from taking them onto public transport.

CITU is developing a prototype "electronic red box" made up of a laptop computer, linked to an encrypting device. The electronic boxes are likely to be issued to ministers in the new year, and the intranet should link all state buildings by the end of next year.

But the government is also aware that the system could lead to fears that it could become the antennae for an all-knowing Big Brother-style government. Officials have held meetings with

Elizabeth France, the Data Protection Registrar, to assure her that no privacy safeguards will be breached.

Next month, Gordon Brown, the Chancellor, will launch the first stage of the new network with a scheme which will enable the public to send official forms to different government departments electronically and simultaneously.

People registering themselves as self-employed for the first time will be able to transmit a single form - either from their personal computer, through a digital television set or British Telecom touchpoint. Previously applicants had to fill out five separate forms.

The CITU is also working with NatWest and Barclays banks to ensure that electronic documents can be given "digital signatures" using cashpoint-style cards and PIN numbers.



# 9/ENVIRONMENT

THE INDEPENDENT  
WEDNESDAY  
26 NOVEMBER 1997

## Everest climbers urged to join Tibet boycott

Climbers and trekkers to the Everest region have been urged to pay more heed to the communities whose backyard has become a mountaineers' playground.

Should Chinese-occupied Tibet be boycotted altogether? Stephen Goodwin reports on an ethical debate.

Everest, according to the writer Ed Douglas, is a mirror in which climbers see themselves and society sees the preoccupying issues of the day.

In colonial times, the 8,848m peak, the world's highest mountain, was a place to plant the national flag; as the West's green conscience grew, Everest was paraded as "the highest garbage dump in the world"; and as we became disgusted at our own commercialism.

Everest was the backdrop for sneering accounts of \$64,000-a-head (£40,000) trips to the top, complete with high-tech phone links to your stockbroker.

The missing element in these stories is that whatever the motive or method, the Everest adventure elbows its way through other cultures while relying heavily on their labour and hospitality.

More than 150 people have died on the mountain since its first ascent in 1953, almost a third of them Sherpas who live in the Khumbu region on the Nepal side of Everest.

Mr Douglas believes sensational reporting of the tragic events of last May, when five people from two commercial expeditions - including the leaders - perished in a storm has "diverted people's attention from the real issues".

Everest straddles a national boundary, with Nepal to the south and Chinese-occupied Tibet on the north. The "issues" are different on either side.

In Nepal, it is a complex matter of more respect for local cultures and pressure on the authorities to ensure more of the millions poured in by tourists and aid agencies reaches desperately poor areas away from the main trekking trails.

The issue in Tibet is brutally simple. Climbers and other visitors are helping to finance an occupying regime accused of genocide.

"It is arguable that climbing expeditions to Everest are actually the chief source of income for the Chinese in Tibet," Mr Douglas said in a lively debate on Everest ethics at the 11th International Festival of Mountaineering Literature at University College Breton Hall, near Wakefield. "You have to wonder about the morality of that."

A boycott is favoured by some climbers. However, while it was no great loss for liberal-minded climbers to boycott South African applies during the anti-apartheid campaign, cutting off the option of the challenging routes up Everest's Tibetan side - plus hundreds of other unclimbed peaks - would require genuine sacrifice.

Everest's north side has been described as a "drive-in movie". Expeditions arrive by truck at a base camp parking lot below the Rongbuk glacier, with the great bulk of the mountain beyond.

When Mr Douglas visited in 1995 there were 11 expeditions camped there, contributing "hundreds of thousands of dollars" to the regime.

Though the peak fee on the Tibetan side is less than the \$70,000 per group charged by Nepal, the authorities take a bigger cut from the transport and other services - even from the yak herders who ferry supplies up the glacier.

When Mr Douglas prodded those in the expensively tented base camp village, most "shrugged their shoulders at the injustices and got on with the business of climbing the mountain".

So far, a mass conversion by climbers and trekkers to Free Tibet activism seems unlikely.

However, with the cause now taken up by Hollywood - with Brad Pitt's new film *Seven Years in Tibet* just released - this may be an opportune moment to prick the consciences of those whose obsession with "Big E" is also bolstering oppression.

■ *Chomolungma Sings the Blues, Travels Round Everest*, by Ed Douglas; Constable: £18.95. Chomolungma is the Sherpa name for Everest and means Goddess Mother of the World.



Culture clash: A Tibetan boy gets his first taste of Pink Floyd, courtesy of climbers. There is controversy about the impact of expeditions on the Everest area. Photograph: Doug Scott/Chris Bonington Picture Library

## Park life intrigue puts 'Archers' to flight

Stand aside Ambridge - your everyday story of rural intrigue beloved by Radio 4 listeners is about to be upstaged in real life.

The soap opera faces competition tomorrow when the 24-strong board of the Brecon Beacons National Park will meet to consider "no confidence" motions in both its chief executive, Martin Fitton, and the chairman, Gwyn Gwillim, a local councillor.

The clash is the culmination of a long-running dispute. Ostensibly, it's over accusations that Mr Fitton, a no-nonsense Yorkshireman, took it on himself to publish members' expenses without permission. But, like all good soaps, there's more to it than that.

For when Mr Gwillim protested, he claims he was ordered out of the chief executive's office. "Mr Fitton said 'Get that man out of here'. I was flabbergasted," Mr Gwillim said yesterday.

An appeal to call in independent legal advisers to give the park - a quango employing 100 with a budget of £2m a year - the once-over, was rejected by Mr Fitton.

Claiming that until recently relations had been harmonious, Mr Fitton said: "I'm saddened because this sort of thing hinders our work. I do not see the point calling in outside help - what terms of reference could be offered?"

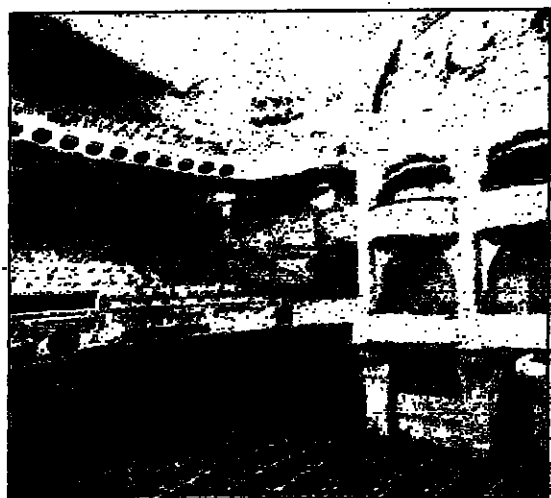
Criticism has surfaced at meetings staged by the park to gauge public opinion over its future plans. Earlier this month, the authority had to shell out £37,500 in costs to an Abergavenny haulage company following a public inquiry into the park's opposition to expansion plans.

And a question mark hangs over the future of a mobile slaughterhouse - a mini-abattoir on wheels costing more than £100,000 - that has scarcely been used since it arrived last year.

The Royal Opera

## The Royal Opera - 2 for 1 ticket offer - Save up to £75

The Independent and Independent on Sunday are giving you the opportunity to experience the opera. In association with The Royal Opera we are offering you 2 tickets for the price of 1 to the Autumn and Winter 1997/98 season. You can choose to see any of three productions - *The Merry Widow*, *The Barber of Seville* and *Paul Bunyan* all showing at the Shaftesbury Theatre.



The interior - The Shaftesbury Theatre

ply twice for the offer, collecting 3 tokens per application.

### Paul Bunyan

Offer available 10 11 13 15 17 December  
Ticket prices: £48.50, £39, £36, £32, £28.50  
Paul Bunyan is an American folk hero of gigantic height who became the greatest lumberjack in history, or so legend says. His work sites, and his fights, created geographical wonders like the Grand Canyon and the Rockies.

Bunyan's adventures are an allegory of the development of virgin North America in the pioneer days.

### The Barber of Seville

Offer available on 7 10 12 14 February  
Ticket prices: £75, £66, £62, £57, £33.  
The Barber of Seville is the first modern comic opera.

Rossini was the star composer of an era when opera moved out of aristocratic circles into boulevard theatres. He believed his audiences would laugh at what they could recognise.

In this opera, Rossini has all the classic classic characters from commedia dell'arte; who have been around from Shakespeare to television sitcom. Rossini's music defines all of them without caricature and makes them available to any age.

### The Merry Widow

Offer available 31 December 1 2 3 5 6 7 8 9 10 January  
Ticket prices: £65, £58, £56, £51, £30.  
Like *The Barber of Seville*, *The Merry Widow* is a first. Most operettas are about sex and money, but few as provocatively as Lehar's. The story takes place in embassy circles in turn of the century Paris. It discusses the affairs of

a romantic little principedom fit to rival Rudolf Rassendyl's Ruritania in *The Prisoner of Zenda* (book and operetta are near contemporaries). Its music is awash with gorgeous tunes - and wonderful dances - evoking middle-European folklore, written with the skill of a Richard Strauss or Puccini (more contemporaries). The very word 'operetta' means escapism - usually.

But what's best about the Widow is its realism. Its heroine has been married before for all the worst reasons - on the rebound from an unhappy affair, and for money. Its hero met the heroine before and rejected her for all the worst reasons - family pressure, and money - and then went off on a seriously naughty bender in Paris. He loves her, but can't bring himself to say it. Meanwhile, everyone else in sight is bending over backwards to be unfaithful. It's realistic, it's funny and it's sad. This perfect theatrical combination gave Lehar a monster hit in Vienna, Paris, London and New York.

**Terms and Conditions**  
To qualify for the offer applicants must collect three differently numbered tokens. Tokens are published every day between November 22 and November 28. Only the tokens printed in *The Independent* and *Independent on Sunday* are valid. Photocopies or any other reproductions will not be accepted. The offer is for 2 tickets for the price of 1 for each application. Each set of three tokens collected allows you to take advantage of the 2 for 1 offer. The free ticket may only have a value equal to or less than the purchased ticket. This offer is only valid for the three productions mentioned above. The Royal Opera House standard terms and conditions of purchase apply to this offer. The offer is subject to availability. No cash alternatives will be accepted. The promoters are The Independent and The Royal Opera House.

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Date

Daytime telephone number  (useful if there is a query)

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**NATIONAL SAVINGS**

## Cook urges reform on EU front-runners

Robin Cook will, on his three-country tour that starts in Budapest today, urge Hungarian, Czech and Polish leaders to speed difficult reforms. Katherine Butler says the visits form a key part of preparations for the most important expansion in the history of the European Union.

Five former Iron Curtain countries have been identified by the European Commission as suitable first-wave candidates for membership. With enlargement negotiations expected to start under Britain's EU presidency, the Foreign Secretary's mission will be to explain to leaders in Budapest, Prague and Warsaw how they can measure up for membership of the world's most powerful economic club.

A summit of EU heads of government in Luxembourg next month will select the countries with which they will begin enlargement negotiations. The consensus is that the first wave will comprise Hungary, the Czech Republic, Poland, Slovenia, Estonia and Cyprus. Five

others - Latvia, Lithuania, Slovakia, Bulgaria and Romania - are considered too backward to join at this stage.

Mr Cook's choice of countries to visit this week is, therefore, no accident: Hungary, the Czech Republic and Poland are the economic and political front-runners in the race for EU membership. But they still face big obstacles if the goal of concluding negotiations by 2000 is to be met.

Mr Cook will remind the candidates that negotiations to admit Finland, Sweden and Austria, three of the most prosperous economies in Western Europe, took three years. By contrast, gross domestic product per capita in the five front-runners in the East is around 40 per cent of the EU average.

In Poland and Hungary, a quarter of the work force is still employed on the land and much agriculture is still at the horse and cart stage; assimilation into the EU's common farm policy could take years. Moreover, the 15 EU states are themselves deeply divided over the internal reforms they must tackle before new members can take their places around the table. Rifts have opened up on contributions to the budget and on re-

forms to the system of grant aid for poor EU regions.

In talks with the prime ministers, foreign ministers and other political figures, Mr Cook will explain the "selective" negotiating strategy Britain favours. The risk of the strategy is that it will deepen the divide between the first wave and those who face exclusion, which could dishearten reformers precisely in the countries where most needs to be done.

Lurking in the background will be Turkey, which has been seeking EU membership since 1963 and which, in spite of the deep hostility of Greece and Germany, Britain is anxious to include in the "European family". Most governments are now resigned to British plans to invite Turkey into a "European Conference", which will assemble all the membership applicants for regular talks with the 15 EU states on common areas of concern such as drugs, crime and trade.

Mr Cook will also be hoping to use this week's tour to drum up commitments to the priorities Britain wants to advance during its EU presidency. They include co-operation in tackling organised crime and improving treatment of ethnic minorities.



## Children rescued as Palermo apartments collapse

Fire-fighters lifting a three-year-old child from the rubble yesterday after a three-story apartment building in the centre of Palermo collapsed, following a suspected gas explosion.

Another three-year-old and one adult were pulled to safety as the fire-fighters searched for other survivors; up to 10 people were buried in the blast.

The three that had been rescued so far were only slightly injured, reports said. The authorities did not immediately know how many people were in the building when it collapsed.

— AP, Palermo  
Photograph: AFP

## Karadzic leads in Serb poll

Western hopes that Bosnian Serb elections might hand victory to the forces of moderation were sinking fast yesterday, as partial results showed supporters of the indicted war criminal Radovan Karadzic edging into the lead.

Partial and unofficial results showed Karadzic's party had taken about 32 per cent of votes compared to 20 per cent for his more conciliatory and pro-Western rival, the Bosnian Serb president Biljana Plavsic.

The ultra-nationalistic Radicals, who are certain to support Karadzic in the pressing issue of his potential extradition to the International War Crimes Tribunal in The Hague, came next with about 19.36 per cent. The Socialists, who may side with Mrs Plavsic, took about 12.24 per cent.

A majority in the 83-seat Bosnian Serb parliament for Karadzic would deal a massive blow to Western attempts to engineer a lasting peace in Bosnia between the Serbs and the Muslim-Croat federation. The



Karadzic: Still popular

hardliners reject both the 1995 Dayton peace accords for Bosnia, which divided the republic, and the workings of the Hague tribunal.

Mrs Plavsic's chances of salvation would seem to rest with the votes, yet to be counted, of the smaller parties. Many of those represent Muslims and Croats, expelled from Bosnian Serb-held land in the fratricidal war of 1992-95, but still entitled to vote.

If Bosnia emerges evenly split between the factions, there is a danger of the boomerang-shaped Bosnian Serb territory splitting, with Mrs Plavsic retaining the north-west and Karadzic the east. A hung result, or a Karadzic victory, might also jeopardise the security of the Nato-led international peace-keeping force in Bosnia.

— Marcus Tanner

## Norway tells firms to boycott Burma

Norway's government yesterday urged companies to boycott Burma because of human rights violations by its military dictatorship.

"Burma is one of the world's worst military dictatorships. Maybe the worst," said Prime Minister Kjell Magne Bondevik at a news conference. He said the government would consider stronger measures if Norwegian companies did not respect the request. "I hope the companies involved get the message," he said. "We don't trade with Burma."

Burma has been under various military governments since a coup in 1962. Its generals ignored a 1990 election victory by the opposition. Norwegian concern about Burma has remained high since the country's pro-democracy leader Aung San Suu Kyi was awarded the Nobel Peace Prize; she was under house arrest in Burma and prevented from coming to Oslo to receive the prize.

A boycott by Norway would be more symbolic than economic. Mr Bondevik said only a handful of businesses trade with Burma, with annual exports of about 1 million kroner (£430,000) a year, and imports of about 8 million kroner.

— AP, Oslo

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Karadzic  
leads in  
Serb poll

## British talent scoops four Emmy awards

British television programmes picked up four top prizes at the International Emmy Awards in New York. David Lister reports on another winning night for the Brits.

The BBC, Channel 4 and Carlton Television were all celebrating yesterday after America paid tribute to British television talent.

With 50 per cent of the 18 nominations at the International Emmy Awards in New York, Britain scooped the top prize in four of the main categories - Drama, Arts Documentary, Children and Young People, and Performing Arts - in Monday night's ceremony.

*Dancing for Dollars: The Bolshoi in Vegas*, produced by NVC Arts for Channel 4, won the Arts Documentary award for tracing the Russian troupe's disastrous 1996 trip to Las Vegas.

The Drama Emmy went to *Crossing the Floor*, a Hat Trick Production shown on BBC2 which starred Neil Pearson and Helen Baxendale, about a prominent Conservative politician who switches to Labour.

A separate award for an art

performance, the Performing Arts Emmy, went to *Enter Achilles*, a play about fantasy and reality adapted for the BBC. *Wise Up*, which was produced by Carlton for Channel 4, won the Children and Young People's Emmy. "I'm thrilled to pieces," said its producer, Mick Robertson. "Children should have a voice as part of the television experience."

The four winners were among 18 finalists selected from 370 entries for the awards for which only programmes made outside the US are eligible.

In all the UK had nine nominations, which was more entries than any other nation.

One strongly tipped programme which missed out was Granada Television's hard hitting account of the Hillsborough tragedy, *Hillsborough*, which starred Christopher Eccleston. It had a profound effect on viewers and had been nominated in the drama category but was pipped at the post by *Crossing the Floor*.

Canada's *Gerrie and Louise*, about the relationship between a South African colonel and a journalist investigating the hit squads he ran during apartheid, won the Documentary Emmy.

The production, by Blackstock Pictures, and Eurasia Motion Pictures, in association with the Canadian Broadcast-

ing Corporation, is set against the background of South Africa's Truth and Reconciliation Commission, which is currently hearing testimony for amnesty pleas by those responsible for brutalities during the apartheid era.

*Libert Zappt* a show about a travelling pianist who coughs and jokes his way through performances around Europe - in different languages, costumes and personalities - won the Popular Arts Emmy for the Netherlands' NOS-TROS-Ivo Niehe Productions.

The ceremony was hosted by Sir Peter Ustinov and the presenters included the actor Armand Assante, the dancer-choreographer Savion Glover, and the actress Marilu Henner.



Culture clash: *Dancing for Dollars: The Bolshoi in Vegas*, by NVC Arts for Channel 4, won the Arts Documentary prize at Monday's Emmy awards

## ITV places faith in real-life soaps to help reclaim ratings

ITV has poached the man behind *The Driving School* and *Vet's School* from the BBC to produce "soap documentaries" to help reposition the ailing commercial channel.

Grant Mansfield, currently managing editor of network features at the BBC, is being brought in by ITV to develop the so-called popular factual programmes that are currently in vogue with television executives. He was also responsible for the BBC's *The Rugby Club* and *Airport* which proved that documentaries can challenge soap operas as ratings winners.

ITV announced Mr Mansfield's appointment at its winter season launch yesterday. The channel already has four fly-on-the-wall documentaries, *Neighbours From Hell*, *Builders From Hell*, *House Hunters* and *Airline* ready to be broadcast over the winter and wants more for next year.

"The effect is to re-align our audience by putting factual programmes at the heart of our schedule," said David Liddiment, the new director of programmes at ITV.

Mr Liddiment is charged with turning around ITV's slipping ratings. Competition from cable and satellite channels and a resurgent BBC has forced ITV's share of viewing down by around 5 per cent to 32 per cent over the last two years.

He hinted that factual programmes, and others scheduled after *News at Ten*, would make the channel younger and more upmarket: "Our audiences' views, tastes and needs are changing," he said.

ITV has an American sit-



Trendsetter: Maureen Rees, star of *The Driving School*  
Photograph: Huw Evans

com, *Dharma and Greg*, that it hopes will become a new *Friends* and a documentary about clubbers that will be shown after *News at Ten* in the New Year.

The channel is yet to announce its full Christmas line up, but is expected to put the *Spice Girls* at the heart of the schedule, broadcasting their concert in Turkey after the Queen's Speech on Christmas Day. The channel is also expected to air *Home Alone 2* as its big Christmas Day film and a screen version of *The Canterville Ghost* by Oscar Wilde.

Mr Liddiment hinted yesterday that ITV would not be bidding for the *National Lottery Show* when its contract with the BBC ends in a year's time.

ITV also announced yesterday that it had signed former *Soldier Soldier* star Robson Green to an exclusive deal to star in ITV programmes until 2000. The contract is reportedly worth £1.5m to the star ITV describes as its young David Jason.

### DAILY POEM

#### Epigrams I, 3

by Martial (cAD40-104); translated by W S Milne

So, they've summed you up, my little book.  
You're now "a milestone in ironic outlook."  
This is price of your publicity:  
MARTIAL VIEWS LIFE VERY SAUCILY.  
Whatever they say is a load of balls.  
Certain to send you to second-hand stalls.  
Unaware, little book, of the comforts of home  
Your "low key wit" now belongs to Rome.  
What today's "an incandescent event."  
Soon winds up "a minor supplement."  
To set you off on the proper foot  
Some shill's written "Magic, a classic to boot."

Our Daily Poems until Friday come from the new Everyman's Library volume of *Roman Odes, Elegies and Epigrams*, edited by Peter Washington (£9.99). It includes work from Virgil, Ovid, Horace, Juvenal and other Roman writers, translated and adapted by four centuries of English poets, from the 1590s to the 1990s.

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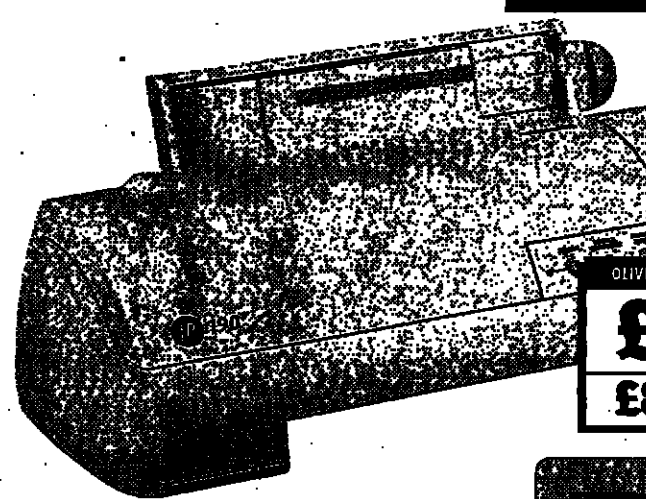


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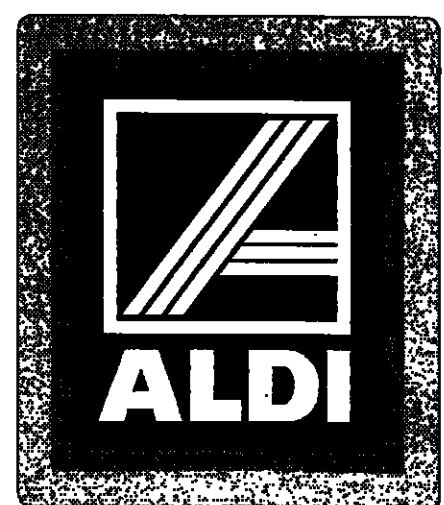


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## Norway reopens Mossad case of mistaken identity

Almost a quarter of a century ago, Israel's intelligence agency killed a Moroccan waiter in Norway in the belief that he was a Palestinian leader. Now Norway wants Israel to interrogate the chief suspect. Patrick Cockburn in Jerusalem examines why the case has been reopened.

The chief suspect, Mike Harari, was a Mossad veteran who went on to an inglorious career as arms dealer in Latin America and confidant of General Noriega, the dictator of Panama.

It was in July 1973 that a team of Mossad agents arrived in the town of Lillehammer in Norway, believing they had finally tracked down Ali Hassan Salameh, the "Red Prince", whom Israel held responsible for planning the killing of 11 Israeli athletes in Munich a year earlier.

The gunmen followed the supposed Palestinian leader around Lillehammer for several hours on 21 July and then shot him dead in front of a pregnant woman as he returned home from a film. Only later did they learn that the dead man was, in fact, a Moroccan waiter called Ahmad Bouchiki, and the woman was his Norwegian wife.

The leader of the assassination squad was Mike Harari, according to Israeli books on the attack, now aged 70 and living in Tel Aviv. Norway reopened the investigation into the Bouchiki's death last month. They made little effort at the time to locate Mr Harari, who went on to enjoy a lucrative career as an arms dealer.

Why it has taken Norway so long to act is unclear. The Mossad operation was the most disastrous in the organisation's history until September this year, when two of its men were arrested in Jordan as they tried to assassinate Khalid Meshal, a leader of the Hamas Islamic militants.

Two of those involved in killing Bouchiki in Lillehammer had rented cars under their own names, Dan Ert and Marianne Gladnikoff. They were arrested when they returned them at Oslo airport. Once they had provided the address of an flat used by Mossad, six other agents were arrested. Mr Ert turned out to suffer from claustrophobia and confessed everything to the Norwegian police in return for a larger cell.

The Israeli government paid compensation to the Bouchiki family two years ago, but without admitting responsibility for the killing. Five of the Mossad agents served short terms in prison and were pardoned. Mr Harari and his fellow agent and girlfriend were almost alone in escaping. Another of the Mossad agents married her Norwegian lawyer. Mr Harari later sold Israeli arms worth about \$500m to Latin America in the 1980s.

Now, seeing the statute of limitations running out, the Norwegian police have decided they would like Israel to ask him about what happened in Lillehammer in 1973.



Sour note: Chilean military bandman playing for their commander-in-chief, the former dictator Augusto Pinochet, on his 82nd birthday yesterday. Elsewhere in Santiago, demonstrators protested against Pinochet's expected elevation to senator for life, due next year. Photograph: AFP

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## UK cancels Tibet visit

Tibetan activists yesterday welcomed the British tough stance which led to the cancellation of a planned trip to London by top Tibetan officials.

The Foreign Office said that the trip could only go ahead if the officials met organisations like the Free Tibet Campaign. The Chinese then cancelled the trip. Robbie Barnett of the London-based Tibet Information Network talked of a "flexing of ethical muscle", and argued: "What the British are doing is more significant than we thought."

— Steve Crowshaw

## Yemen's press under siege

A New York-based press watchdog has accused Yemen's government of curtailing press freedoms by shutting down independent publications. In a statement faxed to the Associated Press yesterday, the Committee to Protect Journalists said the government shut down the bi-weekly newspaper *Ma'in* in October and dismissed its staff because of an editorial criticising the government.

— AP, Dubai

## Americans told to flee

The US advised its nationals yesterday to leave Tajikistan as Tajik officials said its forces had surrounded villages where an abducted French couple were believed to be held.

The US embassy in Dushanbe said the government was not able to provide Western nations with the necessary protection. Government forces are searching for Franck Dubry, who worked for a European Union technical assistance programme, and his wife Karen Mane, who worked for an aid organisation funded by the UNHCR refugee agency.

— Reuters, Dushanbe

## British MEP ignites Australian race row

Australia's government yesterday slapped down a visiting British MEP who described new legislation on Aboriginal rights as racist. Robert Miliken in Sydney says the row has put the question of Canberra's commitment to human rights under the spotlight.

Hugh Kerr, a Labour member of a European parliamentary delegation, was visiting Canberra during a fiery debate on the government's amendments to the native title act. "The legislation that they're proposing, on the opinions I've seen from legal counsel, clearly is discriminatory," he told a rally outside parliament yesterday, "and it could be construed as being racist."

Mr Kerr added that the Aboriginal legislation, together with Australia's failure at the United Nations recently to support a motion criticising China on human rights, raised "a worry that Australia isn't taking human rights as seriously, perhaps, as it has in the past". He advised John Howard, Australia's right-wing Prime Minister: "The world is a global village and

we're concerned about racism. We're concerned about discrimination wherever we find it. The European Parliament will pass judgement on that."

Mr Kerr's advice was roundly rejected by Tim Fischer, deputy prime minister in Mr Howard's coalition government, whose proposed amendments to the land-rights law have drawn protests from Aboriginal and church leaders, human rights groups and opposition MPs.

"Before they start lecturing us ... they might like to start thinking about the Sami people, the Laplanders in Scandinavia ... who have no native title rights in Finland, or Sweden or Norway for that matter," Mr Fischer said. "I will listen to the Europeans when the Sami have a right to claim three-quarters of Scandinavia and the Gypsies three-quarters of France, Czechoslovakia or Hungary."

The legislation has already passed through the House of Representatives, the lower house of parliament. Yesterday it was introduced to the Senate, the upper house, where the Labour opposition, Greens and Democrats — who together outnumber the coalition — have vowed to reject it.

Mr Howard has warned that he will call a general election if the Senate rejects the bill twice.

Such an election would inevitably degenerate into one fought primarily on the issue of race and would be likely to damage Australia's international reputation.

The government introduced the bill in response to a high court judgment last December which found that Aboriginal native title and pastoral, or farming, leases could co-exist on the same land.

The government claims the high court rulings allow Aborigines to lay claim to more than 79 per cent of Australia's total land mass of almost 3 million square miles. Farmers on pastoral leases, some of which cover swaths of outback the size of European countries, have been campaigning for the government to safeguard their lands by formally extinguishing native title rights.

Mr Howard's legislation does not go so far as they would like, but it does make it hard for Aborigines to gain access to traditional lands which are now used by farmers. Some legal experts argue that the bill is unconstitutional and flouts Australia's international human rights obligations, while several church leaders have described it as racist. Noel Pearson, an Aboriginal lawyer, recently called the government "racist scum".

## Saudi justice condemned

Amnesty International yesterday published a damning report on the Saudi justice system. Steve Crowshaw reads some tough accusations regarding Saudi Arabia's 'appalling human rights record'.

Amnesty International's report *Behind Closed Doors* argues: "Even the most basic right to be presumed innocent until proven guilty does not exist. The justice system is blatantly unfair from start to finish — from the time someone is arrested to the end of their trial." In its 30-page report, the human rights organisation noted that the unfairness of trials was "doubly severe" because the individuals — women and poor, especially foreign workers — are also victims of discrimination. In contrast to the two British nurses tried for murder, Deborah Parry and Lucille McLauchlan, many prisoners do not even have access to defence lawyers. Prisoners are taken for execution without even realising that they have been sentenced.

Amnesty notes that its requests for interviews with Saudi authorities regarding the perceived problems have gone unanswered. It says the lack of judicial supervision "has enabled the security forces to make torture an institutionalised practice simply because they can get away with it".

Saudi Arabia has expanded its use of the death penalty in recent years. As Amnesty points out, this is made easier by the "summary and secretive nature of trials". It argues that the Saudi justice system caters primarily for the "might of the state" at the expense of the rights of the individual.

This basic failure has, says Amnesty, been a key factor in the "gross human rights violations" in Saudi Arabia. The Saudi ambassador to London has argued, in the context of the British nurses' trial, that the Saudi system has built-in guarantees that "no harsh sentence is passed lightly", because of the three hierarchical layers of the court system. But the appeal process takes place in complete secrecy, in the absence of the accused or any lawyer. Amnesty says many prisoners felt obliged to accept the sentence, even if they felt they were innocent, because they did not want to stay in prison, or feared a more severe punishment.

Amnesty says that hundreds are held by the political security police without trial, mainly on political or religious grounds. Those who are held cannot challenge the grounds for their detention. Torture is routinely used, especially in order to gain information leading to the arrest of other suspects.

## Yeltsin refuses to throw Chubais to the wolves

Boris Yeltsin sought to glare down his opponents yesterday by insisting on keeping his top economic policy-maker, Anatoly Chubais, despite calls for his resignation over a fees-for-favours scandal. Speaking before television cameras at a Kremlin meeting with the beleaguered minister, Mr Yeltsin said his mind was made up: "I won't give up Chubais."

Looking chastened, Mr Chubais, 42, found himself being chastised for making "moral-ethical" mistakes, rather than breaking the law, but was praised for working 20-hour days. None of this is likely to appease Mr Yeltsin's critics, who have been baying for Mr Chubais' blood ever since it emerged that he was one of a team of writers who each received a \$90,000 (£55,000) advance for an economics book. As the money came from a publishing company linked to a bank which has benefited from privatisation, overseen by Mr Chubais and his aides, this was seen as evidence of corruption.

Three of the authors, all members of Mr Chubais' entourage, have been fired from their government jobs but Mr Yeltsin (who is now talking about publishing a third book of his own) has concluded — rather contradictorily — that Mr Chubais himself acted improperly but not unlawfully. He stripped him only of his job as finance minister but decided he was indispensable in his most important role, that of First Deputy Prime Minister.

— Phil Reeves, Moscow

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## Building a new Lebanon ravages its Ottoman treasures

Lebanon's cultural heritage of Ottoman mansions and villas is being destroyed – even as the country rebuilds itself after 16 years of civil war. In a nation where only land – not property – has value, speculators are tearing down a magnificent legacy from the 19th century.

They are disappearing like old friends. For years, I had driven past a declining Ottoman villa opposite the Ein el-Mreisse mosque near my home in Beirut. It had arched windows with delicate lead tracery and a bright red tile roof – one of the very red roofs that TE Lawrence admired when he visited the city before the First World War.

Then one day, I had to make a detour on the coast road because a massive ball-and-chain machine had been erected on the road and was busy smashing down the villa. Today, in its place, there stands a cheap block of concrete apartments and, on the ground floor, a hamburger joint.

The books of old photographs which are now so popular with Lebanon's upper classes show that Beirut was once the most beautiful city on the eastern Mediterranean coast, a noble, dignified place of castles and gardens and gentle rectangular houses of cut stone and Turkish windows and fluted pillars.

It was a town of traders, Christians and Muslims, Jews and Armenians, Turks and Egyptians and French and English, a city whose houses were often smothered in bougainvillea.

Its shameful destruction began in the Sixties, when developers used bulldozers to pulverise the great Ottoman houses on the sea front near the St George Hotel and allowed the Gulf Arabs to build apartment blocks in the mountain villages. The wartime militias and the Syrian and Israeli armies destroyed the city a second time in the Eighties.

Now its third destruction has begun. Down are coming the red-roofed homes on the coast that survived the civil war. Down are coming the colonnaded old schools only lightly touched by shells. On the heavily-damaged quayside in Beirut, Solidere – the company charged with rebuilding the city – levelled a street of magnificent Ottoman façades.

True, Solidere is restoring hundreds of buildings, though many of them are of French mandate (1920-46) vintage. Even the mock-Baroque façade of the Martyrs'

Square police station was smashed down after the war. "It was an error," one of Solidere's leading shareholders told me later. "It will be rebuilt as it was." But it has not been rebuilt.

All across Lebanon, it is the same story. Buildings of dressed stone and pretty balconies and hallways entered between Egyptian-style pillars are being left to rot. Some were damaged in the war, their roofs torn off by artillery fire and now allowed to decay.

Others have been deliberately left to die, the very last of Lebanon's civil war wound, abandoned on the battlefield. For seven winters since the war ended, the rain has guttered through the eaves, the storms have smashed at the remaining carefully cut glass in the Arabesque windows. Piles of marble floor tiles, wrought-iron balustrades and wooden rafters can now be bought as job lots in the Basta flea-market in Beirut. A piece of Carrera marble costs 50p. "It's now practically hopeless to think that we can keep the old Beirut," Costa Domani says. As a leading member of

ly inhabited by members of the Druze faith, Walid Jumblatt – leader of the Druze and a minister in the Lebanese government – has ordained that no house of historical value or beauty may be destroyed.

He has filled the palace of Beit Eddine – once the home of Emir Beshir the Second and now the site of an annual music festival run by his wife Nora – with Roman mosaic floors. He has supported the preservation of the wonderful old stone walls and "serail" in the Christian mountain town of Deir el-Qamar.

The new downtown Beirut project – much praised by the press and foreign governments as a symbol of Lebanon's post-war rebirth – has promised the Lebanese a new city of high-rise hotels and business centres, banks and archaeological parks and apartment blocks.

But the pictures boasting of the "new" Beirut look frighteningly similar to Jeddah and Abu Dhabi and all the other Gulf port cities which used the wealth of the 1970s to destroy their heritage for money. Solidere has poured millions into restoration – some of it spent on valuable discoveries of Beirut's Phoenician, Roman and Byzantine past.

But Domani, who himself lives in a 150-year old house in Sursok Street in the Ashrafieh quarter of Beirut, is not satisfied, alleging that the company has wrecked 17th-century areas "without pity" and has preserved less than 50 per cent of the 550 old buildings in the ruined former wartime front-line. Solidere is preserving the old Jewish synagogue in Wadi Abu Jamil – damaged by civil war fighting and also by Israeli shellfire in 1982 – in the centre of Beirut but, according to Apsal, seven beautiful Ottoman houses in the same street have been destroyed to widen the roadway.

"We have to be more active ourselves," Domani says. "We must look for sponsorship from abroad, from wealthy companies and individuals; and we must come up with projects that would give these buildings an economic significance. At the moment, some of these houses are lived in by tenants paying tiny fixed rents – so the houses are uneconomical for the owners who can do little to improve their revenues. And the people who have money in this country don't realise what they can do with these beautiful houses – there's a lot of status quo from living in a mansion. Yet all these people want is to live in modern condominiums."

How to change a people? "Pity the nation that ... boasts not except among its ruins," the Lebanese poet Kahlil Gibran wrote in 1934. He can say that again.

BY ROBERT FISK

the Association Pour La Protection des Sites et Anciens Murs de Liban (Apsal), he has watched the Lebanese ignore their country's heritage both during and after the war as the old capitalist ethos that inspired the nation turned the old villas and palaces to dust.

"Anything in Lebanon is tied to money value – not sentimental or architectural value. The land is the thing that is valuable – anything built on the land has no value whatsoever. Those who have made money have done so through land speculation. To safeguard old houses, you need a change in people's thinking."

Apsal believes that owners of fine old properties could be encouraged to restore them by preferential tax treatment, even by reintroducing the old Ottoman system of *sharafiya* – whereby those residents who overlook a beautiful house or its gardens would be asked to contribute towards the upkeep of them. "We would like to create a snowball effect with property owners to make them see that if these houses could be maintained they would have real commercial value. There could be laws which demand preservation."

Already in the Chouf mountains, large-



Levantine splendour: Ottoman villas like this one in Beirut are seen by most modern Lebanese to be worth no more than the land they stand upon  
Photograph: Robert Fisk

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## 'Where, might one ask, have all your nuances gone, Harold?'

In Sicily, they believe that upping the cultural temperature is one way of keeping the Mafia at bay and the tourists at play. The latest arts festival in Palermo has a high British content, including contributions from Peter Greenaway, Richard Long and Harold Pinter. John Francis Lane saw the Italian production of Pinter's 'Ashes to Ashes', directed by the author with, perhaps, an unintended irony.

The Sicilian city of Palermo has been having something of a cultural Renaissance in recent times. The much-loved but equally much-hated mayor, Leoluca Orlando (elected on an anti-Mafia ticket four years ago and up for re-election at the end of this month), believes that culture is one way of fighting the Mafia which, among other crimes, is blamed for frightening citizens and visitors away from the city's theatres and museums.

The latest example of Palermo's cultural re-birth has been a festival dedicated to the *Novecento* (the 20th Century) which surprisingly (or not, Mr Blair?) opened and closed with major British theatrical offerings, while also hosting a massive new installation of twin stone and mud circles by Richard Long. The opener was Peter Greenaway, giving performances at the city's recently re-opened and stunningly beautiful opera house, the Teatro Massimo, of his bizarre operatic happening *100 Objects to Represent the World* (premiered at Salzburg in the summer).

The closing event, at the Teatro Biondo, was Harold Pinter directing (in Italian, of course – a language he doesn't speak) his 1996 two-hander *Ashes to Ashes*, which, after Palermo, was due to tour to Turin and other Italian cities.

Pinter had been to Palermo only once before, in 1980, to pick up a rather handsome money prize, the Premio Pirandello, on which occasion I distinctly remember him saying that, grateful as he was for the generous birthday present (he had just turned 50 the month he and Lady Antonia came to Palermo), he couldn't understand why the jury had judged his work as worthy of the award since he felt his plays were "at the other end of the telescope" from those of Pirandello himself.

His return to Palermo, one suspects, was motivated less by a desire for further comparison with Sicily's Nobel prize-winning dramatist than by a long-held ambition to show the Italians how he thinks his plays ought to be done. Many of us who live in Italy remember the angry reaction Pinter displayed to a production of *Old Times*, directed by Luciano Visconti in Rome in 1974, which the British dramatist considered a travesty of his work. He succeeded in getting the production taken off.

He has every reason to put himself on the back today, not only for the acclaim he has received from audiences

and critics in Palermo, but also because the actress playing Rebecca in this Italian premiere of *Ashes to Ashes* is none other than Adriana Asti, the very same actress who, under Visconti's direction back in 1974, had rendered so controversially explicit the lesbian undercurrents in *Old Times* that Pinter's original text left as mere nuances.

Asti, who is remembered in particular for her role in Bertolucci's early film *Prima della rivoluzione*, now lives in Paris, where she has done Goldoni in French, and seems to enjoy being directed by non-Italians (I once saw her in a Strindberg play in Turin, directed by Susan Sontag).

*Ashes to Ashes* (*Ceneri alle ceneri*), excellently translated by Alessandra Serra, who was at Pinter's side as interpreter and assistant throughout the rehearsals (first in London and then in Palermo), has been well received, even if a 60-minute play seems like poor value at today's theatre prices. Certainly there is much more to *Ashes* – a play that "puts our whole century into one hour of theatre," as the critic of the Communist *Il Manifesto* put it – than to Pinter's earlier *The Room*, which Eduardo de Filippo's son Luca has been playing at Rome's Teatro Eliseo in recent weeks.

Asti's co-star is the wonderful Polish stage and film actor Jerzy Stuhr. If his accent is at first a bit disconcerting, it later gains added resonances in the context of the ambiguities the play sets up. Is the husband one and the same with the lover who apparently roughed the woman up in some mysterious past that may have been played out in a concentration camp? I didn't see Pinter's Royal Court staging last year (with Stephen Rea and Lindsay Duncan) but the English context probably made it even more enigmatic. In Palermo, there wasn't much *inglese* about it, even in the set. It seems that Pinter didn't approve of the original design. The one we saw, along with the costumes, was credited to one Gomez, of whom nobody has heard. The original designer had apparently over-loaded it with naturalistic detail. What we saw on the stage was a simple, anonymous cut-out of a drawing-room with no lived-in look about it.

Pinter's direction achieved the alienating effect that is presumably what he wants and that I haven't found in the many Italian productions of Pinter I've seen over the years, even if a recent staging of *The Homecoming* at Rome's Teatro Quirino, starring and directed by Carlo Cecchi, was great fun. In *Ashes*, the acting by Asti and Stuhr was impressive. They did seem to be speaking to one another instead of just declaiming lines, which is often the case on Italian stages.

Ironically, though, while giving credit to Pinter for having, to a degree, vindicated the Visconti "outrage", wasn't he running the risk of committing the same kind of anti-Pinteresque offence – rendering explicit the implicit – in allowing the husband to speak with an accent that could quite easily be that of the concentration camp bully about whom Rebecca reminisces so fondly? Where, might one ask, have all your nuances gone, Harold?



Stephen Churchett's debut hit, 'Tom and Clem' (above), went straight into the West End; his latest, 'Heritage', stars George Cole (below) Tristram Kenton / EPO

## When writing is the best part

Stephen Churchett spent many years playing bit-parts in TV series like 'The Bill' and 'EastEnders'. But West End stardom always eluded him – until he wrote his first play.

As his second, 'Heritage', is about to open in Hampstead, he talks to Jasper Rees about his new-found success as a playwright.

At what point does an actor who starts to write plays begin describing himself as a playwright? This is the first question I ask Stephen Churchett, who has been an actor for years without ever quite getting his name in lights. Then he goes and writes one play and, four days shy of his 50th birthday, he's opening in the West End, a theatrical inner sanctum he very rarely penetrated as a mere spouter of other people's words. Now he has a second play, *Heritage*, opening at the Hampstead Theatre next week. "I can say I'm an actor who's written two plays," he says. But he reconsiders. "I am an actor and a playwright."

You might recognise the appealingly round face and the naked pate from this supporting role or that peripheral part in various long-running light entertainments. Then again, you might not. Jack Druggitt in *The Brittas Empire*? Joseph Wint in *The House of Eliott*? He pops up in *EastEnders* as the Mitchell brothers' dodgy solicitor, but only now and then. "I haven't done an episode of *EastEnders* for about a year," he says, and calculates that he may have been in no more than 12 episodes overall. "I don't watch but my mother does. She says, 'Oh, they were talking about you on the phone the other day.' That must mean they're going to have me back. But maybe it's cheaper just to have them talking to me on the phone." When he had more hair, he played a patient in a day centre for people with learning difficulties

in *Bleak Moments*, the first ever Mike Leigh film. You'll see him next as a senior hospital manager in *McCallum*.

You get the picture: nearly 30 years an actor, and stardom in all probability no longer lurking round the corner. Then, two years ago, Churchett decided not only to start on a play, which he had managed often enough, but also to finish it, which he hadn't. Previously on his script-writing CV there was one episode of *The Bill* (in which, as an actor, he has also appeared in various guises). So his first play, *Tom and Clem*, emerged from more or less untitled soil. It imagined an ideological encounter at the Potsdam conference in 1945 between the cavalier and roundhead wings of the post-war Labour party – the radical, extravagantly homosexual MP, Tom Driberg, and the pragmatic, stolid Prime Minister, Clement Attlee.

"It was the first thing I'd written that I was really rather pleased with. I finished and I actually thought, this has got potential." He pitched it to the agent of fellow actor-turned-playwright Kevin Elyot while they were filming a pub scene for the television version of *My Night with Reg*. Within a week or two, Churchett was sitting across the desk from Michael Codron, the high-brow impresario who puts the likes of Tom Stoppard on in the West End. "It was the most important audition of my life, except I was the only person up for the part. Michael would hate me to say this but he can be slightly frightening. There are silences. I noticed an ashtray and I said, 'Would you mind if I smoke?' He said, 'Stephen, let's have a cigar.' I thought, this is silly: am I in a play or am I talking about one? I hate cigars." But, mindful that it might get his play mounted, he smoked one anyway.

With Michael Gambon and Alec MacCowan starring, and Richard Wilson directing, Churchett's first ever play opened at the Aldwych after a fortnight in Guildford. For West End, read deep end. Debut plays by complete unknowns with stellar casts may well have sprinted down the same



fast track before, but can you think of one?

For *Heritage*, the procedure has been more conventional. Hampstead, unlike the Aldwych, is a traditional nursery of new writing, and only after a seven-week run there, followed by a six-week national tour, might Churchett's second play follow his first into the West End. "Sufficient unto the day..." says its author. "It's not impossible, I suppose, but one wouldn't want to count any chickens."

For his latest play, written before *Tom and Clem* had been produced, Churchett has set himself the task of inventing his entire cast of characters. The setting is real enough, though: a London hospital where crusty veterans in smart scarlet livery reside in semi-military retirement. "Although it's never stated, it is very obviously the Royal Hospital Chelsea, where the Chelsea Pensioners live," says Churchett. Harry is one such OAP, bridling against a proposed takeover of the institution that will see it gradually converted, as the old boys drop off, into a museum and conference centre.

Harry (played by George Cole) keeps his curmudgeonly chin up with the help of visits from his son George, daughter May and grandson Rupert. They have their own grievances too – George's boyfriend has just died; May's husband is married to his job, which just so happens to involve overseeing the conversion of the hospital; and Rupert can't see the point of his university course – and it's clear that these visits address their own needs as well as Harry's.

"The play is called *Heritage* because I think it's a desperately undervalued word. We just associate it now with theme parks. One of the reasons that made me set a play in an institution like this is that I went to the Royal Naval College at Greenwich a couple of years ago for a carol service. This may be an apocryphal story but I was told by a couple of people who were singing in the choir that the then heritage secretary Virginia Bottomley stood in the Wren chapel and said, 'This would make a marvellous lecture theatre.'"

In its way, *Tom and Clem* made a marvellous lecture theatre too. The chief criticism was that it failed to find a harmony between the drama of ideological head-bashing and the personal relationship between its two protagonists. *Heritage* is less nakedly concerned with polemic and, although more modest in thematic scope, feels all the more entire for it, on the page at least. Churchett is currently in the very early stages of writing a third play – "about the retreat from rationalism. Why, after hundreds of years of people working out how the world does work, and being imprisoned for saying that the solar system works in this way, suddenly we seem to be going back to crystals and all that?"

The first draft should be finished by the spring. Or maybe not. "If I suddenly get offered a lot of acting work, it means I'll have less time to do it."

'Heritage' starts previewing on Thursday at the Hampstead Theatre, London NW3 (booking: 0171-722 9301). To 17 Jan 1998

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## Saints above, the circus has come to town

Saints and Singing: Rebellion Belfast Festival

You rather expect a Robert Wilson work to have a certain poetic obscurity, but his faintly barmy 100-minute *Saints and Singing*, which transferred here last week from Berlin's Hebbel Theatre, seems utterly designed to please. Cruising into the Belfast Festival on a tidal wave of hype, this sequel of sorts to *Doctor Faustus Lights the Lights* sees Wilson once again knocking heads with composer Hans Peter Kuhn and a slew of young Italian and German actors.

The text is again by Gertrude Stein; her relentless streams of free-association wordplay are amplified by Wilson's own stage trickery and a feel for Learish absurdity.

Threaded through with the choral reprise of 'Saints and Singing' – a jingle motif somewhere between Kurt Weill and the Nolan Sisters – Wilson/Kuhn fashion their abstract, choreographed drama in cycles of prologues, landscapes, still lifes and portraits, according to an underlying structure that really need not concern anyone. Instead, just sit back and bear witness to a superb, flowing dream continuity of actions

and interactions on the mostly bare stage, as the team lightly probe vague themes of alienation and relationships.

The shifting patterns of rhythms and routines, silences and stillness, were constantly punctuated by the groundswell of Kuhn's music from the live three-piece band, often complemented by instruments and singers among the actors themselves, both on and off stage.

There were moments of strange, stabbing beauty, such as the poisoned-cup Last Supper opening scene, that were sustained at a high, deadpan pitch; the pompous intensity often suddenly punctured by a wink or a plastered-on cheesy grin or blown away by a slapstick explosion, such as the closing routine of bullfrogs hopping and ribbiting at the audience.

It was this constant clowning and, frankly, taking the piss, that gave the piece the feel of a highbrow circus; one tot of about three, sitting near me, was lapping it up loudly. However, just sometimes, behind Kuhn's pleasurable pastiche of cabaret, ragtime, jazz and European folk traditions, the careering movements and scrappy comedy had all the coherence of a range of theatre

games and well-worn devices; a set of modernist archetypes and dream-images of the theatre, simply rearranged in a new permutation – giving it the feel of stylised entertainment.

Elsewhere at the Festival, I had to don a separate set of aesthetic goggles for *Rebellion*, a musical re-enactment of the United Irishmen's Rebellion of 1798, as told by that peculiar legendary figure, Henry Joy McCracken, the Presbyterian merchant's son who was hanged after leading the ill-fated assault on Antrim Town.

Though it was mounted by Dock Ward, one of those big community ventures that have ballooned under the Festival banner in recent years, considerable professional resources had been deployed here in terms of musical direction, costumes, set and big, battle-happy lighting.

Ken Bourke's script owed much to Stewart Parker's *Northern Star* – just as the staging ideas owed a lot to the last Rough Magic production of that play. However, subtle this production was not – and that's not altogether a bad thing.

The result was something like a Certified Lloyd Webber rebel musical (by the musical director



Designed to please: Robert Wilson's 'Saints and Singing'

Photo: Brigitte Maria Mayer

Mark Dougherty), with director Paddy McCoy steering it all from congested history curricular dialogue to big clambake scenes with costume crowds gulping foamy tankards; from the much-relished comedy of the salty-mouthed drunk to the stark martyrdom of our hero, etched against the backdrop of Cave Hill.

For all the supposed inclusiveness of McCracken as a symbolic figure – a Presbyterian leader in a French-inspired

revolution that united "Catholic, Protestant and Dissenter" against the British Crown – there was no escaping the deep green hue of this show.

Heavily refracted through more recent history, the resonances were all there: martyrdom, the Republic, the oaths and proclamations towards Irish freedom, the sassy women taunting the redcoats, the house raids and arrests, the rebel ballads – let alone the final messages over McCracken's

twitching corpse: "The struggle was worth it" and "The battle has only begun".

As one character remarked of the burgeoning secret societies of the time, "There are so many writers' and artists' groups in Belfast, it's more like a cultural rather than a political revolution."

But since when has culture not been political – particularly in Belfast?

Mic Moroney

هكذا من الارض



# 15/GREEN BUDGET

## New Deal provides £4bn package to get jobless back in work

Millions of jobless households will be offered a £4bn package of measures aimed at getting them back to work, the Chancellor of the Exchequer, Gordon Brown, pledged yesterday.

The deal, mostly financed from the July windfall tax on utilities, will include out-of-school childcare clubs, staffed by 50,000 newly trained carers, cheaper travel for young people and training grants of up to £1,700 for businesses that recruit and train the unemployed.

But Mr Brown warned that those already in work must be prepared to accept pay restraint as part of his Government's overall job-creating strategy - or risk higher interest rates to curb a future consumer boom. "It is in no one's interest if today's pay-rise threatens to become tomorrow's mortgage rise," he said.

The Chancellor's comments came as he renewed Labour's commitment to a 10p starting rate of tax, down from 20p at present, "when it is prudent to do so."

Mr Brown said that to achieve the Government's jobs and training reforms, "fairness and openness" were central to its strategy on taxation.

"Tax avoidance harms those who pay their fair share of taxes. I give notice that the [next] Budget [in March] will introduce those measures that are necessary to root out tax avoidance."

This would include a "fair approach" to North Sea oil taxation, alcohol and tobacco - where a review of taxes will be completed next year, plus the charities sector.

He said the Government will publish a document next week on its proposals to encourage greater savings, particularly among low income-earners, through an Individual Savings Account (ISA).

The ISA, to be launched in April 1999, will replace existing tax-free schemes, including Personal Equity Plans (PEPs) and Tax Exempt Special Savings Accounts (Tessas) introduced by the Conservatives in the 1980s. It has been estimated that PEPs and Tessas are costing the Inland Revenue about

£1bn a year in unpaid taxes.

To promote greater willingness to work among unemployed people with families, the Government is proposing to introduce a "working families tax credit", backed by affordable child care.

The Chancellor said: "We will consider in detail the working families tax credit: cash paid through the wage packet directly to families on low incomes, side by side with the national minimum wage. He also hinted at the possibility of offering tax breaks to people paying for their own child care: "The proposal would build on the successful elements of family tax credit, and involve better help through the tax system for child care costs."

Mr Brown promised to review the present National Insurance system, whereby contributions of 2 per cent are levied as soon as wage earners are paid more than £62 a week, rising to 10 per cent on every pound earned thereafter. "Under the current system, some low-paid employees face marginal tax rates of over 100 per cent," the Chancellor said.

"To improve rewards from work, to simplify administrative burdens on employers, as we want to do, and to encourage them to take on more people, it is right to consider the scope for bringing the National Insurance structure for the low paid more closely in line with income tax."

The Chancellor told MPs that one in five working-age households, 3.5 million families, have no one in work, while the proportion of manufacturing business reporting skills shortages is up 70 per cent on a year ago.

"We will introduce pilot projects nationwide under which any employer who takes on and trains a young or long-term unemployed person and keeps them on, can now receive three-quarters of their New Deal [training] allocation, thus giving immediate help with training costs - in the case of young people about £1,700 and for the long-term unemployed, £1,500."

Alongside these grants, Mr Brown added that David Blunkett, the Education and Employment Minister, will shortly publish his proposals for a "University for Industry", together with "Learning Accounts" to encourage further training for employees.

Mr Brown added: "To ensure that work pays for families with children, we propose a working families tax credit, backed up by affordable child care ... side by side with the national minimum wage."

He said the first wave of reforms aimed at helping the young unemployed will start with a pilot project in January, extending nationwide in April. A number of bus and rail companies would be introducing a new pass for young people taking part in the Government's work scheme, cutting fares by at least 50 per cent.

Projects to find work for the disabled, part of the previously announced £195m programme for people with disabilities, would start in the spring of next year, with the Social Security and Education and Employment departments inviting bids for the first wave.

Mr Brown added: "Helping lone parents into work is the most effective long-term way to tackle their family poverty. The New Deal for lone parents began in eight areas in July. Already it is yielding results where it counts - in higher living standards for lone parent families."

"So from next year our welfare to work programme will be extended to help every lone parent who wants advice and help. And from April every single parent coming on to benefit will be offered help to find work, if that is what she or he wants."

Mr Brown claimed that one advantage of the Government's programme was that it would help restrain economically-damaging pay spirals: "The more people return to the world of work, and the more we tackle skill shortages, the less pressure there is on employers to bid up wages in the short term."

-Nic Grafton



Cold weather allocations to 2 million pensioners this winter will be funded by a redirection of the EU net payment

## Pensioners promised £20 winter payment top-up

Almost 7 million pensioners will get help with their fuel bills this winter as the Chancellor redirects European contributions to keep old people warm.

The average pensioner household would be up to £100 per year better off and poorer pensioner households on income support up to £130 per year better off when the money was coupled with VAT cuts, the abolition of the gas levy, new competition and tougher regulation of the utilities, the Chancellor said.

The money for the windfall is available because this year's net payments to the European Union are expected to be £400m lower than budgeted for. The average pensioner pays about £612 a year for fuel, or £11.80 a week. But pensioner households spend a larger percentage of their income, on

average 6.7 per cent, on fuel, compared with the 4.5 per cent paid by most families. In 1996/7, more than 5 million cold weather payments were made at a total cost of more than £42m.

The scheme was drawn up by Gordon Brown and Social Security Secretary Harriet Harman.

"[We] are simply not prepared to allow another winter to go by when pensioners are fearful of turning up their heating even in the coldest winter days because they do not know whether they will have the help they need for their fuel bills," said Mr Brown.

VAT on domestic fuel and power was reduced from 8 per cent to 5 per cent in last summer's Budget and took effect in September.

Mr Brown said the pensions review

was looking at the long-term future of pension provision in Britain and Ms Harman announced that she was setting up pilot projects which would test different ways of getting pensioners their income support.

The scheme, costing £15m and starting in April, will aim to find the most effective way of getting income support to the 1 million pensioners who do not claim it.

Sally Greengross, director general of Age Concern, said yesterday the charity was delighted that the Government had recognised pensioners' need for extra financial help with heating bills.

"The planned payments will help the poorest pensioners through the coldest, darkest months of the year. It lessens the stark choice between food and

fuel," she said. "Last year 46,208 more people over 60 died during the winter months compared to the summer months; we hope the Government will continue to act to reduce this death toll."

National Pensioners' Convention spokesman Jack Jones, the former Transport Union leader, said: "This is very welcome indeed at the outset of the cold weather. Twenty pounds extra for a pensioner household is going to be very helpful for the 2 million pensioners who live on their own over the age of 75 and, of course, for those on income support it will mean £50."

"It will mean they will be assured the money before suffering the severe weather."

- Glenda Cooper

## Government commits £300m to create 30,000 childcare clubs

A million children will be able to attend after-school clubs as part of the drive to get lone parents off benefits and back into work. As part of his programme for making the workplace more appealing than handouts, Gordon Brown said that affordable childcare was only one of the areas which must be tackled in order to get people back to work - with "comprehensive tax and benefit reform" as well as training also necessary.

The long-awaited childcare scheme, costing £300m was welcomed as "tremendous" by lone parent groups although they said that they were disappointed that nothing had been done for mothers who could not go back to work.

The Chancellor called the scheme, which will establish 30,000 after-school clubs - "the biggest investment in child care in this country". The five year plan will be paid for by the Exchequer and the new opportunities fund. To staff the new clubs 50,000 young people will be offered training as childcare workers through the welfare to work programme.

"A national child care strategy is no longer the ambition of workless parents. It is now the policy of this country's Government," the Chancellor said. Details of the new childcare programme will be announced today by the Education and Employment Secretary David Blunkett and the Social Security Secretary Harriet Harman.

Liz Sewell, chief executive of the lone parents charity Gingerbread, said it was "tremendous": "Childcare is often the final hurdle lone parents have to jump when they are trying to get back to work."

"A Kids' Club in every community will be a major boost."

However, Ms Sewell warned the £300 million investment would be of no comfort to those people who are stuck on benefit through no fault of their own.

Maeva Sherlock, of The National Council for One Parent Families, said: "Putting good, affordable childcare within the reach of lone parents could help provide a route out of poverty which so many badly need."

The reform of benefits, part of the modernisation of the welfare state, would start with the working families tax credit - "cash paid through the wage packet directly to families on low incomes, side by side with the national minimum wage."

It is likely to mean that a benefit payment, Family Credit, will be transformed into a tax credit - so someone returning to work would be taxed as normal, but the Inland Revenue would allow him or her to keep a proportion of the tax.

A similar system works in the US - Earned Income Tax Credit (EITC) - where it is received as part of a taxpayer's annual tax refund cheque, the amount being based on total earnings in the previous year.

While one report found that EITC had encouraged 500,000 lone mothers in the US into work,



Gordon Brown announced plans beginning next April to extend affordable childcare to lone parents and families on benefit

there are potential pitfalls. Evidence presented to the House of Commons social security select committee by the Child Poverty Action group said problems included the fact that payments go to the family's main earner rather than carer and all taxpayers need to file a tax return, which can be particularly difficult for people moving frequently in and out of work.

Mr Brown said the national insurance system would be reformed for the low paid. Under the present system anyone earn-

ing £3,224 pays no National Insurance but someone earning even £1 more than that is liable to pay NI at 2 per cent on the total sum. So hundreds of thousands of people on low pay would benefit if the Government lifts the level at which NI begins to kick in.

Mr Brown also announced an expansion of the New Deal for lone parents. Eight pilot schemes offering lone parents personal assistance with job search, training and childcare are already under way and the scheme will

be launched nationwide from October 1998. A £195m programme to help the long-term sick and disabled get back to work, would see new projects starting next spring.

For young people he announced that leading bus and rail companies - including National Express and Stagecoach - had agreed to offer discount travel to young people on the New Deal programme.

National Express said it was offering half-price fares to youngsters on the programme

who travel on its Travel West Midlands coach company as well as on four of its franchised rail routes - Gatwick Express, Central Trains, ScotRail, and Silverlink (formerly North London Railways).

The RAC said today: "We welcome this. Youngsters who have been out of work can find public transport expensive, particularly if they live in rural areas. Anything that helps them with their mobility is a good thing."

- Glenda Cooper

## Brown urges wage restraint to fuel economic growth

Gordon Brown yesterday told pay review bodies covering 1.3 million public service employees that there should be no salary increases without compensating improvements in productivity.

In meetings with the bodies' chairmen before his pre-Budget statement, Mr Brown said the Government could not countenance any wage increases unless they were financed out of existing budgets dictated by the previous administration.

In fresh submissions to the bodies yesterday, he reminded them that there was no public spending round this year and there would be no access to the Government's Reserve to fund pay increases which breached last year's expenditure limits.

Although his headline remarks were made specifically to the chairmen of the pay review bodies, they were also aimed at the five million workers in the public sector as a whole and employers in private industry who may be tempted to increase wages to cope with skill shortages.

Union leaders in the public sector will argue that such a policy inevitably means thousands more job losses if employees are to receive a pay rise.

The Chancellor told the chairmen, whose committees cover employees from army generals and Whitehall mandarins to teachers and nurses, that there would have to be a responsible approach to remuneration.

While not wishing to impinge on the independence of their committees, he said that paying more now would mean

that the Bank of England might increase interest rates. The alternative was to exercise "pay responsibility" with the benefit of securing more jobs in future.

"A responsible approach by all those involved in pay bargaining, combined with success of the Government's labour market reforms, would allow the economy to grow faster than would otherwise be possible," a Treasury statement said.

In his speech to the House of Commons, Mr Brown acknowledged short-term pay pressures were building up because of the lack of suitably qualified labour.

"The more that we all take a long-term view of what the economy can afford, the more we will be able to have job creation and keep inflation and interest rates as low as possible. So we must all be long-termists now."

He agreed that the Government's reforms would take time. "But it is in no one's interests if today's pay rise threatens to become tomorrow's mortgage rise. The worst form of short-termism would be to pay ourselves more today at the cost of fewer jobs tomorrow and lower living standards in the very near future."

To cope with skill shortages, the Chancellor announced pilot projects under which any employer who took on and trained a young or long-term unemployed person and kept them on, could receive "up-front" 75 per cent of their allocation under the Government's New Deal programme. This would give immediate help with training costs.

- Barrie Clement

# 16/GREEN BUDGET

## Brown learns from past mistakes and errs on the side of caution

The Chancellor of the Exchequer sees the healthy state of the nation's finances as a mixed blessing. It is better for the Government to have to borrow less rather than more, and this is the bonus the booming economy has delivered since 1 May.

On the other hand, Gordon Brown is determined to resist pressures to take advantage of this good fortune in order to loosen controls on public spending. And the pressures are many - health, education, public sector pay, and lone parent benefits to name but a few.

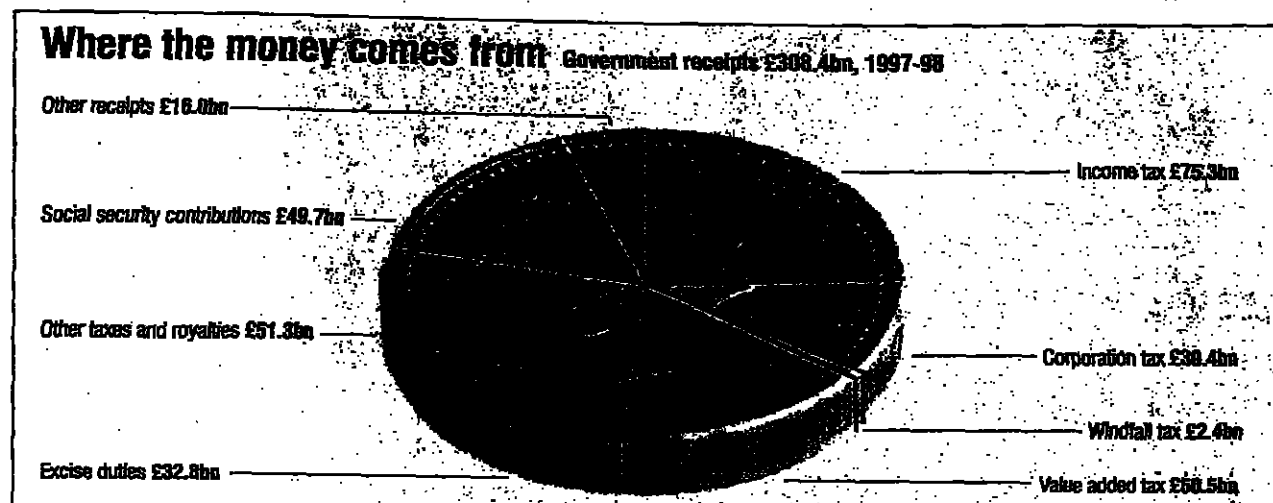
A lower-than-expected payment to the EU provided £400m extra for pensioners this winter and next. But there were no other changes in spending and clear signals that the Government will remain ultra-tough on pay.

So the Chancellor was able to announce, as widely expected, a reduction in the forecast level of the Public Sector Borrowing Requirement this year to £9.5bn from the £10.9bn in the July Budget (or, excluding windfall tax revenues, to £12bn from £13.3bn). The target for next financial year was edged up to £4.5bn from £4bn. Both year's figures are well within the ceilings set by the Maastricht Treaty.

The report published after the Chancellor's statement yesterday said temporary factors explained the better figures for government borrowing than had been expected in July. Strong growth has delivered booming tax receipts in the current year.

More important, spending is currently lower than last year. Most of the reduction in this year's PSBR target has been made possible by the lower level of unemployment, which has lopped £1bn a year off social security expenditure. The Treasury is also confident of staying within the "Control Total" set by the last government and reaffirmed by this one.

In a pre-emptive strike against demands that the Chancellor should loosen the fiscal straitjacket, the Treasury



published a paper earlier this week pointing out the perils of relaxing control over the public finances at this stage of the business cycle, when the figures look their most favourable. The conclusion was that it was better to err on the side of caution because it is so painful to have to retrench later when the economy turns down and the outlook for the PSBR takes a turn for the worse.

This was the lesson of the late 1980s and early 1990s. As the economy boomed, Nigel Lawson cut taxes, and spending subsequently rose sharply in the run-up to the 1992 general election. After the election, as the recession deepened, taxes had to be raised to bring ballooning public sector borrowing under control.

Mr Brown spent it out yesterday. "We will not make the mistakes of 1988 and return to boom and bust," he said.

Yet he also promised to increase spending on priority areas. The Comprehensive Spending Review, which will set spending priorities, is not due until to be finished until next summer. But meanwhile Mr Brown has carved out some scope for extra spending. The new Domesday Book register of public assets will provide one method of raising expenditure without busting the limits.

Departments are to be allowed to sell assets of a value

of up to 3 per cent of their budget, adding up to a potential £8bn a year for the next three years. Although the proceeds must be spent on capital investment, not current outgoings, they allow higher spending within the existing cash limit, at least for those departments which have the initiative and the easily saleable assets.

Yet there was no doubt, even in the most sceptical City of London dealing rooms, that this is one Labour Chancellor who does not intend to find himself at the mercy of the financial markets after spending too much. Marian Bell, an expert at Royal Bank of Scotland, said: "The fiscal cautions are deliberately cautious." Like other analysts, she welcomed Mr Brown's decision to err consistently on the side of caution.

David Bloom, at James Capel, said: "Budgets are much easier when the cycle is going your way, but this is still all eminently sensible stuff."

Roger Bootle, chief economist at HSBC Markets, said: "The Chancellor is genuinely determined not to repeat earlier mistakes."

Yesterday's documents refreshed the pledge to stick to the "golden rule" whereby borrowing will not exceed the government's investment spending over a business cycle.

Mr Brown also intends to make an annual assessment of

**The Budget arithmetic**

£ billion	Outturn 96-97	Forecast 97-98	Forecast 98-99
Receipts	286.8	308.2	326.3
Current expenditure	306.0	312.0	322.3
Current balance	-19.1	-3.7	4.0
Net capital spending	8.4	8.3	8.7
Privatisation proceeds & other financial transactions	4.9	2.5	0.2
PSBR	22.6	9.5	4.5
PSBR as % of money GDP	3	1.2	0.5
PSBR excluding windfall tax	22.6	11.9	6.0

the state of the nation's books a legal requirement.

This "code for fiscal stability" was outlined in a document published yesterday. It said the proposed code would "make clear the framework in which fiscal policy will operate. It will demonstrate the Government's commitment to this framework, putting its reputation firmly and squarely on the line."

This too was a winner in the financial markets. Claran Barr at Deutsche Morgan Grenfell said: "The market will take comfort from the obligation it places on the Government not to fiddle the numbers."

Even so, some City economists would prefer a still tougher stance, at least in the short term. They argue that it would allow the Bank of Eng-

land to be more relaxed about interest rates.

But it was hard for the vigilantes to find anything to object to in Mr Brown's statement. Even on the assumption that Government expenditure grows by 2.25 per cent from 1998/99, if that is the outcome of the spending review, the Treasury forecasts a budget surplus by 2000/01. If spending grows by only 0.75 per cent a year, there will be a small surplus by 1999 and a large one by 2002.

The moral of this range of scenarios is clear: clamping down on the deficit between expenditure and revenue now will create the scope for increases in spending in the run-up to the next general election.

- Diane Coyle

## There's not much meat in the Chancellor's nouvelle cuisine



HAMISH McRAE

Where's the beef? The latest dish from Mr Brown's new restaurant is one of those standard North London fashionable starters: an enormous white plate with a tiny mound of chargrilled vegetables crouching in the middle, surrounded by large puddles of multi-coloured sauces. It looks gorgeous when photographed for a glossy magazine. But there isn't much to eat.

That may be no bad thing. Since the economy ain't broke, there is little point in trying to fix it. But if you measure the autumn statement against the sort of tests that Chancellor would himself apply it is hard to avoid a sense of disappointment. Is this an approach to spending and taxation which will be robust in the tougher times to come? Is that stuff on company tax really for the long term in the sense that it helps companies plan for the future? Is it fair between generations, given the adverse demographic trends which will strike in the next century? Will the overall impact on the willingness to save be positive? Are there serious measures designed to help the environment? Is the process transparent in the sense that we can see how money is really being spent?

The answer to all those questions is that the words mostly sound fine. But we don't know what those words actually mean because there is no detail yet; and there is the odd little fib, not a downright lie, but the occasional

statement that seems designed to mislead.

To explain: autumn statements like this fall into halves. The first half is information about what is happening to the economy; the second, what the government intends to do about this.

The first half is mostly the new forecast. Here growth this year has been slightly faster than was thought back in July, and inflation seems a touch higher too. On the other hand, the balance of payments is much better: it looks as though there will be a surplus instead of a deficit.

But even in this factual first half of the statement there is a hint of dishonesty. The Treasury's forecast for next year is a range: growth between 2.25 and 2.75 per cent. That is fine, for the uncertainties next year look large. But in his speech the Chancellor suggested that the outcome within this range would depend on wages. If working people did not ask for too much money we would get the higher growth figure; if we did, the lower one.

As an economic proposition this is ridiculous. There are plenty of potential reasons why growth may slow down next year. These include the fall-off of demand in East Asia; the knock-on impact of that in the US; uncertainties associated with the single currency in Europe; a sharper-than-expected fall in demand here because of the ending of the windfall gains; a sudden deterioration of the current account. Among that pack, a surge of wages is pretty far down the list. It is a factor, to be sure. But it is one among many.

Now turn to the second half of the statement. While the words mostly sound fine, it is hard not to catch the odd twinge of concern. For example, the most substantive new information was on company taxation. There was a load of stuff about the need to improve productivity by in-

creased investment, which is absolutely right. There were these tax changes, which were going to be phased in and there were going to be special arrangements for small and medium-sized businesses... But wait a minute, if these things are supposed to be good for business, why do small and medium-sized businesses need to be protected by special arrangements?

Or take the passage about the environment. Again, plenty of fine words, but little of substance. There are, for example, the very best reasons for wanting to try to protect elderly people from the cold, but the additional payments are not a key element in energy policy. Then to pretend that lower-than-expected payments to the EU suddenly create money that was not there before is to create a misleading element of ear-marking in public finance.

I mean, just think what wonderful things the government could do for us if it did not have to pay any net payments to the EU at all.

Because the presentation of Mr Brown's ideas has been "dumbed down", there is a temptation to assume that he is overselling the whole of the package: that all policy is designed to sound nice and look good, and that the substance, when it comes, will inevitably disappoint. That seems a pity, because the analysis is spot on: productivity, employment, stability are absolutely the things on which the government should focus.

New restaurants usually get good reviews. The writers want them to succeed and to some extent may be loathe to criticise in case they are wrong and make an enemy. Here, we still have not had the main course, so it is unfair to grow too loudly. The decor is great, this starter OK-ish, but pre-opening fears that there might be more style than substance are in danger of being realised. No stars yet.

**Economic Forecasts**  
% changes

	What happened in 1996	Forecast for 1997		Forecast for 1998	
		Budget forecast	Independent consensus forecast	Budget forecast	Independent consensus forecast
<b>GROSS DOMESTIC PRODUCT</b>	2.50	3.50	3.50	2.25-2.75	2.40
<b>DOMESTIC DEMAND</b>	2.75	3.75	3.90	3.25-3.50	3.20
of which					
Consumer spending	3.50	4.50	4.50	3.50-3.75	3.50
Fixed investment	1.75	3.75	5.00	6.00-6.25	5.60
Government consumption	2.50	0.25	0.70	-1.25	0.80
Change in stocks	-0.25	0.25	0.40	0.25	0.30
<b>TRADE</b>					
Exports	7.00	7.50	6.30	5.00-5.25	4.30
Imports	8.50	8.00	7.30	7.75-8.00	6.80
<b>RPI</b>	3.25	2.75	2.60	3.00	2.80
excluding mortgage payments					
<b>BALANCE OF PAYMENTS</b>	-0.50	2.25	-0.70	-7.25	-7.70
£ billion					
<b>PSBR</b>	22.7	9.50	9.30	4.50	3.90
£ billion					

## Bullish growth forecast heightens rate fears

The Chancellor illustrated his call for pay restraint yesterday by unexpectedly forecasting different growth rates for the economy next year. He said if salaries were bid up as they had been in the past, gross domestic product might grow by 2.25 per cent next year. With "wage responsibility", however, that growth rate might rise to 2.75 per cent.

Economists expressed surprise at Mr Brown's bullish assessment of growth prospects for the economy next year and the rise in inflation he expects to flow from that prolonged buoyancy. They feared that the Treasury's higher GDP projection and his belief that underlying inflation would rise to perhaps 3 per cent would provide ammunition for the hawks who wanted to raise interest rates further from their current 7 per cent.

The economic slowdown which many economists expect next year will be deferred until 1999, according to the official estimates, especially if the Chancellor is right in his assumption that labour market reforms succeed in raising the growth rate trend significantly.

Mr Brown's GDP growth range for next year surprised analysts, who had expected a hint that the Asian crisis might put downward pressure on economic growth. They were surprised that the Chancellor said the risks were, if anything, on the upside. The Treasury view compared with the consensus of independent forecasts this month of 2.4 per cent and the Bank of England's implied growth forecast of around 2 per cent.

There was also surprise at the Treasury's estimate of the

Government's borrowing requirements for both this year and next. Forecasts of a £12bn PSBR this year, excluding the benefit of the windfall tax, and a £6bn requirement next time, were higher than most predictions and represented an upward revision from the forecasts made at the time of the July Budget.

David Coleman, UK economist at CIBC said: "The market was always going to judge it on new PSBR projections and the outlook for GDP growth. In both aspects the markets will be a little disappointed. This does put pressure back on the Bank of England to raise rates. The deficit is not falling as much as we would have liked."

Glenn Davies, chief economist at Credit Lyonnais, agreed with his colleagues' downbeat assessment, but saw

a hidden political agenda at work: "From a market perspective, the PSBR revision downwards was not quite as big as one would have imagined, looking at the data. It's perhaps a little bit disappointing but may partly be a political gambit. They are trying to control public spending and obviously if the PSBR was to be revised down very sharply it makes it more difficult for him when he's arguing with expenditure departments to keep spending down."

On inflation, Claran Barr, UK economist at Deutsche Morgan Grenfell, was surprised that the Chancellor increased his estimate for growth in the retail price index from last July's 2.75 per cent to 3 per cent. He said: "Admittedly he's got it falling back to 2.5 per cent in 1999 and 2000 but even so it does

put a little bit of a question mark on the outlook for inflation next year. It certainly differs from what the Bank of England has in its inflation target."

Andrew Snowball, European economist at Julius Baer Investments, saw a tacit message to the now-independent Bank of England in the inflation forecast: "I was a little bit surprised for the forecast for inflation... above the 2.5 per cent target for the fourth quarter of next year. You could read some kind of message from the Chancellor to the Bank of England not to ease up where interest rates are concerned. The growth forecast was perhaps a little stronger than I expected. They are obviously fairly upbeat on the economy."

-Tom Stevenson

## Devil in the detail of family tax credit changes

Gordon Brown called yesterday for an informed debate on tax and benefit policy. But his own preferences were sketched out in insufficient detail for people to be able to contribute effectively, a result perhaps of the Government's difficulties in designing a reformed welfare state.

Tackling the barriers to taking work is a key objective of this Government and the Chancellor announced a series of tax and benefit reforms designed to reward work. He went further, proposing a plan to integrate taxes and benefits "involving action at every level".

A working family tax credit paid to families on low incomes directly through the wage packet was the most radical proposed change. Mr Brown claimed it would have a high take-up because it is delivered through the tax system rather than as a welfare benefit and it would provide a clear

link between financial rewards and work. This sounds attractive, but, as ever with tax policy, the devil is in the detail.

To start with, there are four questions that still need answers.

First, will the working family tax credit replace or supplement Family Credit? If it is a supplement to Family Credit, it will be expensive and the Government will have two policy tools designed to do a similar thing. If it replaces Family Credit, we need to know how it will link with other taxes and benefits to create a simpler and more easily understood system.

Second, how will the Government ensure children receive adequate support? Employees within families will receive the new credit, not the mothers, as is the case with Family Credit today. This will transfer resources from women

to men within families, as men are usually still the breadwinners in a family, and will reopen the debate over whether it is better to subsidise the wallet or the purse. The chart shows the average gain/loss in net income for women and men if Family Credit was simply paid to the earner rather than the mother. Men would gain unambiguously at the expense of women by over £5 per week for all couples with gross earnings between £50 and £150 per week. Women lose a corresponding amount.

Third, on whose income will the credit be evaluated? The Government will have a choice of evaluating entitlement to working family tax credits either on individuals or families. If it were to choose individuals, it would be easy to administer in the tax system. The problem with individual assessment is

that it would divert resources to low income individuals in rich families and these people do not face problems of low financial rewards of work.

The Government could assess entitlement on family income. This would target low income families but would make administration within the income tax system extremely difficult. Imagine the tax authorities having to compare incomes across a married, or even cohabiting, couple, each time it spots a low wage individual in the system. This could be solved by asking families to claim in order to get the new tax credit but then there would be little difference to the current Family Credit scheme.

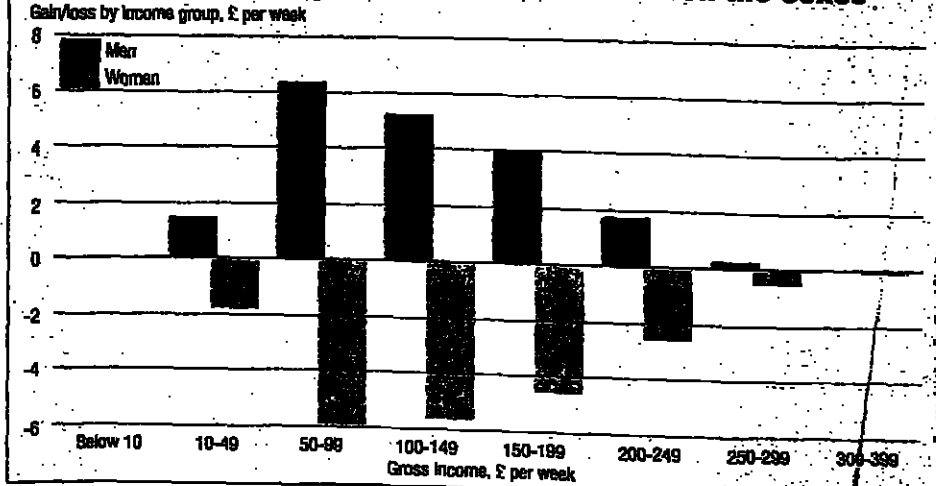
Fourthly, over what time period would it be assessed? Income tax is annually assessed and benefits designed to support low income families are assessed fortnightly. This sensibly

reflects a desire to minimise administrative costs of income tax and ensure that families are always guaranteed a minimum income. If a tax credit is simply included in the income tax system, there have to be end-of-year adjustments to ensure the correct amount of credit was paid. This will mean many more families than now will have to file tax returns and low income families might even be presented with a tax demand at year-end they cannot afford.

Ultimately, there does seem to be a fundamental choice facing the Government. Either introduce the tax credit in the income tax system and face up to these four problems, amongst others, or keep a separate administration, income tax in name only, and accept the new credit might not feel that different to Family Credit for claimants.

There were other tax and

## How the Green Budget affects income between the sexes



benefit measures announced yesterday. Mr Brown announced possible reforms to the structure of National Insurance Contributions for low wage earners, which would be very welcome but could be expensive. Similar reforms in 1989 cost over £3bn and the

cost of a full-scale reform to employer contributions would be higher now.

He also repeated his commitment to introduce a 10p starting rate of income tax when possible, reduce the rate at which means-tested benefits taper off to reduce the poverty

trap and introduce a minimum wage. Yet the centrepiece of the tax and benefit measures was the working family tax credit, and many questions there remain to be answered.

- Chris Giles, Institute for Fiscal Studies



# 17/GREEN BUDGET

## Business fears £8bn hit from phased abolition of ACT

Business estimated last night that it would be billions of pounds worse off as a result of the reforms of the corporation tax regime proposed by the Chancellor. The benefit to the Treasury is forecast to be about £7.5bn over the four years following 1999, the year when the measures are intended to be introduced.

While the decision to abolish advance corporation tax (ACT) was last night broadly welcomed by companies and their advisers, they claimed that the planned introduction of quarterly tax payments would have a huge effect on cashflow. There was also concern about the confusion and complexity that might result from the transition arrangements.

One particular cause of worry was allayed by the revelation in documents released by the Inland Revenue (IR) after Gordon Brown had sat down that individual taxpayers would not incur any loss additional to that suffered as a result of the ending of the dividend tax credit announced in the July Budget. This is because the tax credit will be retained, despite the abolition of ACT.

But accountants are concerned that it might also prevent British-based multinationals, such as BAT and ICI, from using up the great ACT surpluses that they have accumulated as a result of their strong earnings overseas.

The move against ACT - which had been widely predicted in the wake of the Budget's ending of the tax credit on dividends - had been expected to benefit multinationals at the expense of other companies, such as retailers and banks which receive most of their earnings in the domestic market. But advisers are now unsure about who will benefit most - though water companies, which had been able to offset much of their tax liability through their heavy investment programmes, are predicted to emerge as clear winners.

Paul Wopshott, tax partner with accountants Price Waterhouse, said: "Although from April 1999 their ACT surplus will no longer get bigger because of the abolition of ACT, they will find it no more or less easy to get at their past surplus because of the introduction of 'shadow' ACT - a system whereby companies will have to pre-

tend to account for ACT whenever they pay a dividend."

He added: "Under present rules, the amount of past surplus ACT which can be set against a corporation tax liability is limited by current year ACT which has to be used first. The Government is to replace this rule with a limitation by reference to current year 'shadow' ACT, leaving the company's historic position unchanged. Some major corporates will probably still find it impossible to make a dent in their ACT mountain for the foreseeable future."

He and counterparts elsewhere are predicting that companies will use "the window of opportunity" created by the announcement of the end of ACT to return funds to shareholders through extra-large foreign income dividends, a technique that Mr Brown has already pledged to end. City observers believe that the removal of ACT is likely to lead to a wave of share buy-backs among companies that have previously been deterred from making such a move as they would have faced higher tax bills.

Philip Isherwood, equity strategist at Merrill Lynch, predicted that companies were

likely to buy back up to 5 per cent of the stock market by 1999, which would have the effect of increasing corporate earnings by 1.5 per cent. Mr Isherwood also predicts that the reduction in the corporation tax on companies will increase earnings by 2 per cent. He said: "This is good news for equities, although we will have to wait for some time for the benefits."

Mark Tinker, equity strategist at UBS, agreed that the removal of ACT would mean more share buy backs, especially among the utility groups. However, he pointed out that the Chancellor's statement did not tell the whole story. Mr Tinker said: "This has whetted appetites rather than satisfied them. We don't know about capital gains tax and the tax treatment of dividends. This is only one piece in the jigsaw." ACT and tax credits on dividends were a by-product of the imputation system introduced in Britain in 1973 in an effort to reduce double taxation. ACT was triggered when a corporation paid a dividend. The company would pay shareholders a dividend net of the starting rate of income tax and would pay the tax direct to the IR where it would

count as a payment in advance of part of the company's tax bill.

In proposing a system of quarterly instalments, the Government is attempting to move the United Kingdom closer to the practice in such countries as the United States. It is proposed that this be linked with the introduction of self-assessment so that companies will face having to base their payments on their expected tax liability for the current year rather than their past year. Advisers expect companies to challenge this in the consultation period on the grounds that it will put too much of an administrative burden on them.

The IR is proposing that the instalment system be introduced over four years, accounting for 60 per cent of tax liability in the first year, 72 per cent in the second, 88 per cent in the third and 100 per cent in the fourth. For medium-sized companies - those with pre-tax profits of between £330,000 and £1.5m - the figures will be half these, while small companies - those earning less than £330,000 - will be exempt.

Business was more enthusiastic about other aspects to the changes to the corporate

tax regime. The plan to reduce the rate from 31 per cent, already an all-time UK low, to 30 per cent from April 1999 was obviously welcomed, while the promise of changes to capital gains tax in the next Budget was seen as a balance to the attack on investment caused by the ending of tax credits. Lawrence Green of the solicitors Eversheds said it would boost long-term investment.

Although Mr Brown followed the example of other chancellors in stressing how serious he was about combating tax avoidance, details issued by the IR suggest that the lobbying against a general anti-avoidance regime has been successful, and specific areas of abuse will be targeted instead.

Financial directors responding to a recent survey generally supported further investigations of tax-avoidance schemes, but advisers warned that such a piecemeal approach could lead to the introduction of flawed legislation which would increase uncertainty at a time when the Government was said to be keen to make taxation of companies simpler and fairer.

— Roger Trapp



View from the City: 'The whole thing is a damp squib,' said one expert. 'I think the analysts will welcome it because they can go home early'

Photograph: MSI

Business groups reacted with dismay last night to news that companies would face a bill of almost £8bn from changes to the corporate tax system, but welcomed Gordon Brown's emphasis on training and long term economic stability.

There was also disappointment that the Chancellor failed to give more details on key elements on the Government's tax and welfare policies, including changes to capital gains tax and the introduction of individual savings accounts.

The Confederation of British Industry warmly welcomed the decision to abolish advance corporation tax (ACT), but warned that it would strongly oppose the cost to business of the move to paying corporation tax bills "on account" through quarterly instalments. The Inland Revenue said the four year transition period for companies from 1999 would benefit the Exchequer by £7.7bn.

Adair Turner, Director General of the CBI, said: "The figures set out ... suggest a negative impact on corporate cash flow for the initial four years. We will argue strongly for changes to ensure this does not occur."

Kate Barker, the CBI's chief economist, added that the transition could result in a "big hit" for the corporate sector. "The system will create winners and losers. This really is jam tomorrow." Responding to the attacks, Treasury sources said last night that the transition period was "up for discussion."

City experts were also quick to highlight

## Tax reforms draw mixed reaction from business

the impact of the tax changes on business. Richard Kersley, equity strategist at BZW, said: "Cutting corporation tax and ACT is headline grabbing, but the Exchequer wins. This will not be terribly helpful to many companies."

BAT, the tobacco and financial services giant, claimed it would be a major beneficiary from the abolition of ACT, given its plans to demerge its financial services and tobacco businesses. David Alvey, finance director and chairman of the tax committee of the 100 Group, said: "It's obviously a great help to the prospects of a stand alone tobacco company which will make most of its money outside the UK. It's an encouraging sign that the Government is not only listening but is interested in genuine consultation."

The Institute of Directors was more positive about the tax changes, pointing to the 1 per cent cut in the rate of corporation tax as "excellent" news. Richard Baron, taxation executive at the IOD, said the move to quarterly corporation tax payments was "inevitable". But he added that the abolition of ACT was "wonderful" for companies.

Companies were also disappointed at

what they said was a shortage of concrete proposals in the Green Budget, which some described as "dull". Christopher Haskins, chairman of Northern Foods, said: "It looks like pretty predictable stuff. He's got plenty to think about, but as a lot of people expected, he's not revealing his hand."

The City found few surprises in the Green Budget. Bob Semple, equity strategist at NatWest Markets said: "The whole thing is a damp squib. I think the analysts will welcome it because they can go home early."

Richard Iley, strategist at ABN Amro Hoare Govett, agreed. He said: "This Budget is disappointing for gits as the reduction in PSBR were not as large as expected in this financial year and next. The Chancellor has also highlighted the fact that rising wages could be a potential banana skin."

The Chancellor's rebuke to companies on the dangers of spiralling wage inflation drew sharp criticism from businesses which claimed they were forced to pay higher salaries in competitive industries. Siemens, the UK arm of the German industrial giant which has invested billions in Britain over the past five years, doubted whether the call would have much effect.

"There's a finite pool of people and the

labour market is a free market. The more that companies start up computer chip plants in the UK the more managers' salaries will go up as it becomes harder to find the right people."

Kate Barker from the CBI said companies recognised the inflationary potential highlighted by Mr Brown. But she continued: "The mechanism to restrain pay will be the difficult competitive position for manufacturers."

Norman Rose, head of the Business Services Association, argued the call for pay restraint was necessary. "The issue is really a moral one. He's saying bosses in industry must not be seen to be taking unduly large increases. It is appropriate for restraint to be exercised across industry."

The Engineering Employers Federation said it welcomed the general sentiment of the Chancellor's announcement on training and skill shortages and macroeconomic stability. But a spokesman questioned Mr Brown's argument that the strong pound was preferable to a damaging short term boom. "We remain very concerned about the effects of a strong pound. Export order books are at their lowest level for three years."

Mr Rose said Mr Brown's statement showed New Labour had not reneged on its promises to business. "This says that Labour are much more a party of social democracy, with a fair balance between individuals and companies."

— Chris Godsmark and Sameena Ahmad

## Conjuring a solution to the corporation tax conundrum



BILL ROBINSON

Those of us who have been campaigning for years for a Green Budget - where "Green" means consultative, as in Green Paper, not environmental as in Green Taxes - we awaited Gordon Brown's statement with huge curiosity.

Would it be a real budget - a list of proposed measures - but with a built in implementation lag to give people time to argue against measures they hated? Or would it be a list of reform options, like the Institute for Fiscal Studies' Green Budget, with an invitation to interested parties to argue in favour of options that took their fancy? Or would it just be a macro-economic framework with an indication of the amount available for spending plus an indication of the areas of the tax system that the Chancellor was looking at?

In the event we got a bit of all three. The Chancellor promised to consult on North Sea taxes, on environmental taxes, on alcohol and on charities. He indicated, without making concrete proposals, that he was hugely interested in getting the tax and benefit system to motivate people to move from welfare to work. And then he coolly produced a fully worked out and costed corporation tax package which included the abolition of Advance Corporation Tax and a further cut in the headline corporation tax rate. Moreover, he has found a way of making these popular pro-business changes create an increase in government revenue. More on this conjuring trick later.

Corporation tax had to feature prominently in this not-quite-a-Budget because the Chancellor had got himself into a bit of a mess in July, and this was his first opportunity to clear it up. The UK has an imputation system of corporation tax. This is supposed to prevent the double taxation of dividends that occurs if profits are taxed first under the corporation tax system and then again under the income tax system when they are distributed as dividends.

The way it works is that the company makes a tax payment, called Advance Corporation Tax (ACT), which is linked to the distribution of dividends. The Advance Corporation Tax then counts both as a payment on account toward the total Corporation Tax bill, and as a part payment of the income tax bill on the dividend. These arrangements have long been disliked by companies that pay out high dividends, whose advance payments of corporation tax are greater than their total liability - a condition known as Surplus ACT. This can easily happen to international companies headquartered in the UK, who distribute dividends based on worldwide profits, but only have mainstream corporation tax liability on UK profits. It can also happen to companies who choose to signal their long term confidence in the future by maintaining dividends when profits dip in a recession.

The Surplus ACT problem has also afflicted the water companies who were given large capital allowances as a dowry on privatisation and hence have small taxable profits. In his July budget the Chancellor dealt a couple of body blows to the Advance Corporation Tax system. He decided that tax credit paid to pension funds would not be repayable. And

he held down the income tax bills of higher rate taxpayers by reducing the rate of income tax applied to dividends. So the link between paying corporation tax in advance and relieving payment of income tax was seriously ruptured then. He has now broken the connection altogether. There will still be imputation - recipients of dividends will get a tax credit, associated with the payment of corporation tax. But it will not be linked to the advance corporation paid when dividend is distributed.

By abolishing Advance Corporation Tax the Chancellor gets rid of the problem of surplus ACT. This will make him popular with the large multinationals and with the water companies. It will continue Labour's love affair with business and will certainly go down better with Mr Blair than with the troops on the back benches.

It also deals with the problem created in the July budget which made it very attractive to use the system of Foreign Income Dividends (FIDs) to reduce surplus ACT. To the extent that this revenue would have disappeared anyway, as companies changed their behaviour to take advantage of FIDs, the abolition of ACT costs less than Inland Revenue calculations, based on constant behaviour, suggest. So it is a sensible reform, which tidies up much of the mess left by the over-hasty July budget. But how has the Chancellor managed to pull off the trick

## How has the Chancellor managed to pull off the trick of cutting a tax rate and raising revenue all at the same time?

of cutting a tax rate and raising revenue all at the same time?

The answer lies in the arithmetic of early payment. If corporation tax is expected to rise reasonably rapidly over the next couple of years, reflecting buoyant profits in the boom, then bringing payments of corporation tax forward produce an increase in revenues for three years. From a tax-design point of view it is brilliant. Incentives to invest are increased by the lower tax rate, but companies face what is effectively an additional lump sum tax for a few years. Such taxes are always unpopular and sometimes unfair, but they scarcely affect incentives.

So this package of measures, if implemented as announced, will be bad for corporate cash flow. The corporate sector will squeal loudly. But Mr Brown can say with his hand on his heart that this is another budget for investment.

The main reason for this is that he has proffered an olive branch to the international business community. He is right to do so because the multinationals are a footloose breed. They can invest anywhere in the world. If you tax them more heavily in the UK they will do their new investment somewhere else, taking the jobs, the profits and the tax revenues with them.

By abolishing ACT, the Chancellor has made the UK a more attractive environment in which to locate an international company, and a more attractive place to invest.

Bill Robinson is a director of London Economics

## Kickstart for Britain's artistic entrepreneurs

The Government's reputation as the "lunatics friend" was enhanced yesterday when it announced plans to do more to encourage creative industries such as design, fashion and music. The move follows tax measures announced in the July Budget to help the British film industry.

The Chancellor said these industries, together with others such as science, computer software and communications, represented Britain's "genius for creativity" which had made Britain "a world leader". Government and industry should work to-

gether to remove all barriers to productivity in these areas and to enhance growth and investment "not least for innovative small businesses" he said.

He added that this year entrepreneurs in small and medium sized businesses could draw on the Government's £200m doubling of capital allowances to invest in new technology. From next year, the new National Endowment for Science, Technology and the Arts will make grants to encourage creative talents.

Plans to help hi-tech companies find

backers and remove barriers to their growth were also announced as part of a wide-ranging attempt to improve Britain's poor record in research and development. The Chancellor said he was keen to make it easier for small businesses to gain access to venture capital funding, to create jobs and create a more entrepreneurial culture.

A working group has been established to examine the issue. It will be chaired by Keith McCallagh, chief executive of the pharmaceutical develop-

ment company British Biotech, and address the barriers which stand in the way of young, growing hi-tech companies. The group will produce a final report in six months time with an interim report in January.

In July, the Government was cheered by the British film industry when it announced a 100 per cent tax write-off on production and acquisition costs for British films with a budget of £1.5m or less.

— Nigel Cope

## Pensioners' handout buys off backbench welfare rebellion

Gordon Brown toured the Commons tea room after his pre-Budget statement to reinforce his message to Labour MPs that he was not treating single parents harshly.

The Chancellor appeared to have quelled the threat of a growing rebellion over the £6-a-week cut in lone-parent benefit with his package of help for pensioners and single parents.

He emerged smiling after being given a warm reception for the Christmas box he had just announced to help keep pensioners warm this winter. Many MPs saw the package as a downpayment on the spring Budget.

"They will see this as an act of good faith by the Government," said Valery Davey, the Labour MP who defeated William Waldegrave for the Bristol West seat in May.

Ms Davey had been lobbied on Monday by constituents for action on help with paying for home insulation. She said the Chancellor's decision to cut VAT on energy saving material was "sensible, will create jobs and probably will be self-financing".

There were grumblings of discontent from left-wing Labour MPs that the Chancellor had found money to cut Corporation Tax but had failed to answer the criticism over the cut in welfare for future lone

parents, the threat to miners' jobs, and possible cuts in benefit for the disabled.

While there were no bums thrown in the tea room, the Chancellor had faced brickbats in the chamber over his refusal to back down over the cuts in benefits.

Audrey Wise, the Labour MP for Preston, who led a Commons motion protesting at the cut, urged him to think again. "Your own figures make it quite clear that it is not necessary to abolish benefits for lone parents."

"In view of the fact that abolition of these benefits impoverishes the poorest children, deepens the poverty trap and is generally a disincentive to work, can I ask you to look again at this matter, bearing in mind that this is not only about economic growth?"

"Children's growth is damaged by poverty."

The Chancellor told her the priority must be to enable lone parents who want to work to get into work. That was the message he took to the tea room, and although there were still grumbles around the corridors in Westminster from some Labour MPs, the bulk of the party was behind him.

Alan Howarth, the employment and equal opportunities minister, had worked on the scheme to help lone parents

into work, and returned to his office to find the phones "red hot" with calls welcoming the announcement, including one from the Kid's Club Network, which said: "Parents and children around the country will be very happy."

One Labour MP with a reputation for independence said the test of the Chancellor's statement was the reaction of the Tory MPs. "The glumness on the Tory side said it all," said David Winnick, the member for Walsall North.

Mr Winnick believed the Chancellor had the support of the majority of the Parliamentary Labour Party for his package, although he had complained to Mr Brown about the threat of means-testing for benefits for the disabled and asked him to consider the representations made by Lord Ashley and Lord Morris, two campaigners for disabled rights.

The Tories believe the figures will begin to unravel before the Budget. Michael Jack, Tory spokesman on agriculture, said the £400m recouped from the EU to pay for part of the package came from underspending on farm programmes. Hill farmers were also losing £60m in support. "They are some of the poorest farmers in the country," he said.

— Colin Brown

## Consultation is to replace the element of surprise

The Government launched a new approach to management of the public finances yesterday by promising to consult on all aspects of the budgetary process. The Government promised that the Budget would contain detailed measures to root out tax avoidance and would include reform of capital gains tax.

Budgets have traditionally been characterised by a large element of surprise, with most of their measures on taxation taking immediate effect.

The Chancellor wants to take this speculative element out of the process, so that Budgets are seen more as a rolling programme of evolution and development with most measures subject to detailed debate before implementation. To this end, a series of consultations were announced yesterday.

The Chancellor said he wanted a national debate on the main economic issues facing Britain as he opened up the Government's thinking on economic policy for public scrutiny

and comment before final Budget decisions were made.

In his pre-Budget statement, Gordon Brown insisted: "We are consulting in all areas where it is right to consult, taking action in all those areas where action is needed and putting to the country the choices for debate — choices that can be made only by all of us."

Besides the Treasury's 112-page "Pre-Budget Report" detailing the Government's long-term economic objectives, the Chancellor also yesterday published "A Code for Fiscal Stability", intended to encourage transparency and openness in the way the public finances are managed, and a consultation on the proposed abolition of advance corporation tax.

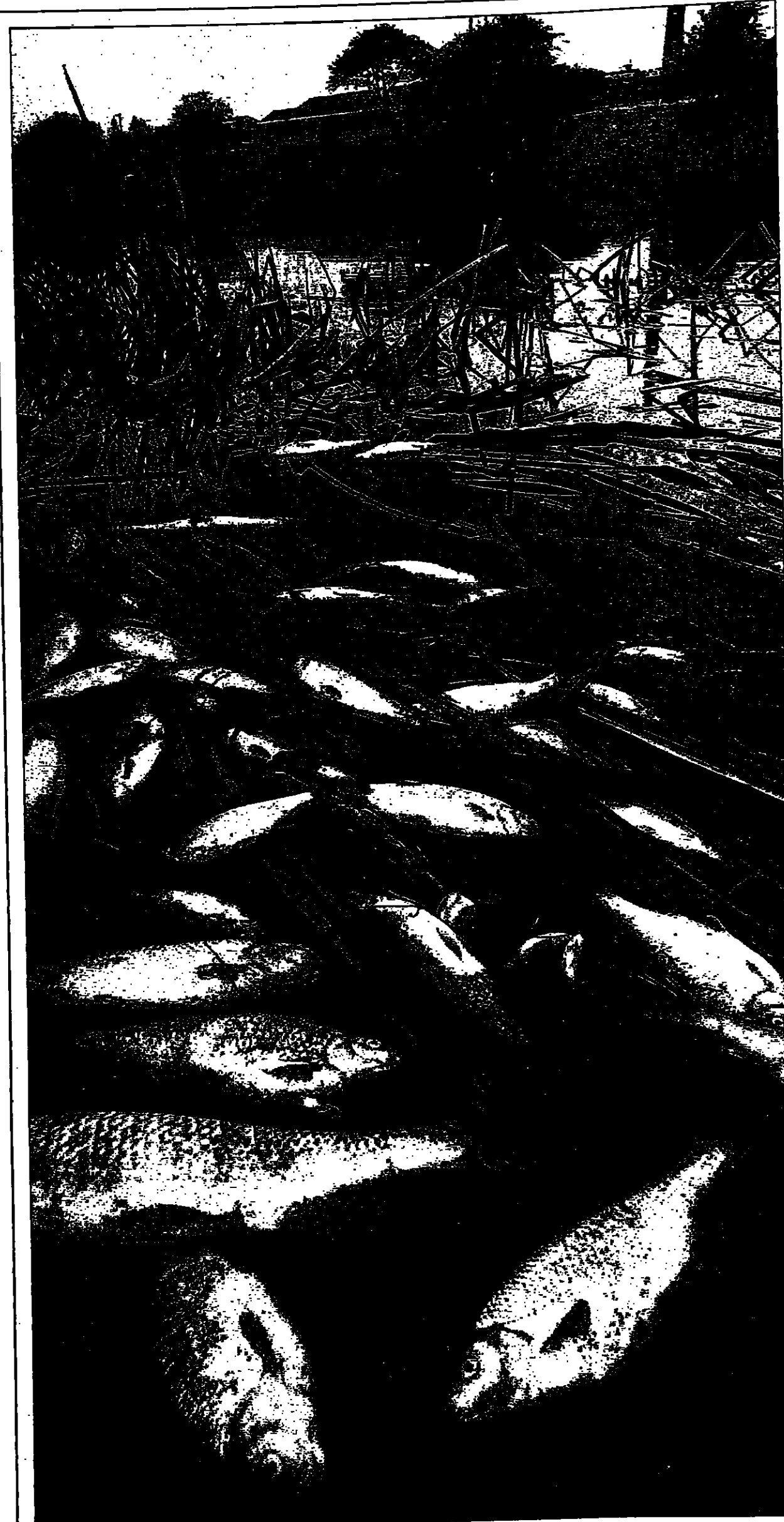
Government proposals for new individual savings accounts, intended to replace PEPs and TESSAs and to be introduced from April 1999, are to be published next Tuesday. Also promised shortly are proposals from the Secretary of

State for Education and Employment for "individual learning accounts" and for the University for Industry.

Other consultations under way include anti-tax-avoidance measures, and the taxation of North Sea oil, alcohol, tobacco and charities. On Thursday, a paper on ways to deal with water pollution is to be published while proposals on how the tax system can be made to reflect the Government's environmental objectives are to be published in time for next week's summit in Kyoto, Japan. Longer-term reviews include the future of second-tier pension arrangements and detailed measures for an integrated tax and benefit plan.

Mr Brown said that his pre-Budget report would help "build the foundations of a shared understanding and sense of national economic purpose between government, business and individuals. This is essential if Britain is to succeed in the global market place."

— Jeremy Warner



Proposals for a tax on water pollution will be unveiled tomorrow

## Brown puts focus on pollution and energy

The Chancellor announced an energy-saving move which will help thousands more poor households to keep warm while cutting pollution.

He also said that tomorrow the Deputy Prime Minister John Prescott would unveil proposals for a tax on water pollution. Firms would be charged according to how much damage their industrial emissions did to sea and river life.

Mr Brown cut VAT on energy saving measures under the Home Energy Efficiency Scheme from 17.5 per cent to 5 per cent. That, he said, would add an extra 40,000 low income homes a year to the 400,000 per annum having loft and cavity wall insulation, draughtproofing, hot water tank lagging and other fuel and power saving material installed. To qualify for the full payments, occupants have to be on state benefits such as family credit or jobseeker's allowance. The maximum grant is £315 but the average is £170.

Environmental groups were disappointed that Mr Brown did not cut VAT on energy saving goods to 5 per cent for everyone — the same level as VAT on gas and electricity. It is a move they have long been campaigning for, on the grounds that it would boost fuel saving by hundreds of thousands of households and make a substantial cut in Britain's emissions of climate-changing carbon dioxide gas. The Treasury maintains that such a cut may conflict with European Union law.

Charles Secrett, director of Friends of the Earth, asked: "If they can cut VAT on fuel down to 5 per cent without problems in Europe, then why not on energy saving goods too?"

"What the Chancellor has done for low income households is a step in the right direction, but we think it should apply to everyone."

The energy efficiency scheme has insulated 2.2 million low income homes around Britain. Eaga, the Newcastle-based company which runs the government scheme, says each insulated home cuts the carbon dioxide emissions it is responsible for by one tonne a year. The scheme also keeps 4,000 people employed installing the insulation. Grants are also available for any householder aged over 60, but only for a quarter of the cost.

While the Government is pressing ahead with planning a water pollution tax, as presaged in the last Budget, there was no further mention of the idea of a tax on quarrying. Nor was there any talk of new transport taxes.

— Nicholas Schoon

## Package that aims to 'meet the people's priorities'

The Chancellor promised to focus on "the people's priorities" when he made the first annual pre-budget statement. There were gifts for lone parents and pensioners, but tough words on public spending and pay.

There were cheers from the Labour benches as Gordon Brown said he would make life easier for pensioners this winter. In his speech, he managed to please MPs who had complained about benefit cuts without having to budget from his tough line on spending.

"This is a government that keeps its promises and is prepared to take action where action needs to be taken," he said. "A government that is meeting the people's priorities, even as we confront the difficult choices our country must make to build for the long term."

While cuts in Lone Parent Benefit will still be implemented as planned, there was some comfort for those who have complained about the move. An offer of work for every unemployed lone parent, originally planned as a pilot scheme from April 1998 and as a national scheme from next October, would now be brought in across the country in April, Mr Brown announced.

He also produced more money for pensioners to pay their winter fuel bills after a row about his recent refusal to increase cold weather payments.

He promised to use £400m saved from the EU budget to pay an extra £20 to each pensioner household, and £50 to almost 2 million pensioners on income support, before the bills would need to be paid.

There would also be more money for child care and health, he said. An extra £300m had been budgeted over five years to set up as many as 30,000 out-of-school clubs for nearly a million children. To staff them, 50,000 unemployed young people would be given six months' training under the New Deal — paid for by the Windfall Tax — as child carers.

On health, there was a hint of more money on top of £300m extra this year for the NHS and £1.2bn next year — though there was no immediate promise of cuts in waiting lists.

"As our comprehensive spending review reallocates resources towards higher priority areas, there will be real year-on-year increases in spending on front-line patient care," Mr Brown said.

There were two other measures to help the low-paid and the unemployed. The Chancellor promised a review of National Insurance to help those on low incomes by bringing the charge more in line with income tax. He also announced that transport companies were to provide passes for young people on his New Deal for the unemployed, cutting their fares by at least 50 per cent.

Reports that the speech would foretell a "green Budget" brought just one firm pledge: a cut in VAT on home insulation and other energy-saving schemes from 17.5 per cent to 5 per cent, helping to insulate 40,000 more homes per year.

Mr Brown also promised a consultation on water pollution, a further look at the tax system after the Kyoto summit on climate change next month and the possibility



Centre stage: Gordon Brown on his way to the Commons yesterday with Chief Secretary to the Treasury Alistair Darling (left) Photograph: Rui Xavier

of a European deal to reduce VAT on a wider range of energy-saving materials.

Pre-publicity which suggested there would be a clampdown on tax havens such as Guernsey and the Isle of Man also proved to be premature. Although Mr Brown promised measures in the Budget to cut tax avoidance, he did not specifically refer to tax havens.

A third area on which weekend stories

focused — the 10p starting rate of tax — also failed to yield any concrete proposals. There have been suggestions that the tax will be introduced in March, but yesterday all Mr Brown had to say on the subject was that the measure would be introduced "when it is prudent to do so".

Among the other measures announced was the abolition of Advanced Corporation Tax from April 1999 and a further cut

in the main rate of the tax from 31 per cent to 30 per cent. Mr Brown also promised a code for fiscal stability, under which the Government will report to Parliament on how it is meeting its fiscal rules.

To add to measures in the July Budget designed to help the film industry, the Chancellor said he and Margaret Beckett, the President of the Board of Trade, were looking at ways for small businesses to draw on venture capital.

However, there were tough messages contained in the speech. The Government could not relax its stance on public spending, Mr Brown said, because it might fall into the trap of its Conservative predecessor.

"We will learn the lessons of 1988 when it was wrongly assumed the structural deficit had disappeared and the penalty was the return of boom and bust ... What companies fear most is a return to the boom-bust instability of the past," he said.

He also promised wage restraint and called for "responsibility not just on the shop floor but also from Britain's boardrooms outwards — where in the interests of all there must be moderation not excess and where an example should be set."

"The worst form of short-termism would be to pay ourselves more today at the cost of fewer jobs tomorrow and lower living standards in the very near future," he said.

There were more Labour cheers as the shadow Chancellor, Peter Lilley, said he welcomed some aspects of the statement.

The good economic news, which included a cut in public borrowing from

£23 bn last year to £6bn next year, was the "golden economic legacy which we bequeathed this government", he said.

However, he added that it showed tax rises in the July Budget had been unnecessary. "You didn't need to break the Prime Minister's solemn election pledge that we have no plans to raise at all. The simple truth was that you were determined to increase taxes in July so you could increase spending later," he said.

Mr Lilley said Mr Brown's real motive was the same as every other Labour Chancellor, "all of whom have been engulfed by the spending demands of their backbenchers".

Nothing the Chancellor had proposed would do much to help the typical home-owning family who faced £650 a year higher costs because of interest-rate rises, a cut in mortgage tax relief and extra burdens on pension funds, he claimed.

Malcolm Bruce, the Liberal Democrat Treasury spokesman, described the statement as "a polo mint Budget, with a hole in the middle where the extra spending on schools and hospitals ought to be".

"How is it that the Chancellor may be able to find the money for introducing a 10p tax rate in March, but not the money to stop waiting lists soaring and class sizes rising?" he asked. "Until the Chancellor drops his Tory spending plans, NHS patients and those who rely on our state schools may be forced to conclude that the Tories, though no longer in office, are effectively still in power."

— Fran Abrams



# 19/FASHION

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## Fashionable for fifteen minutes

New York's fashion scene has never ignored Andy Warhol for long. A new exhibition, 'The Warhol Look', shows the comeback collection of ex-Factory protégé Stephen Sprouse alongside the high kitsch of Dolce e Gabbana. Tamsin Blanchard reports. Photographs by Chris Moore.

The fashion world has gone pop art crazy. Not that fashion, by definition, can be anything other than "pop", but next spring, two designers and a major new exhibition in New York will be responsible for spearheading a new craze: pop art reproduced on clothes. You can wear it or you can frame it. Take your pick.

The designers in question are Stephen Sprouse, a Warhol protégé who in the Eighties was responsible for dressing downtown New York, and Dolce e Gabbana, the Italian duo who have transformed their younger D&G label with the help of a young Italian pop artist. The exhibition, called "The Warhol Look", is now showing at the Whitney Museum of American Art in New York.

Stephen Sprouse's comeback collection, shown in a Soho warehouse in New York at the beginning of the month, could not have been better timed. While Sprouse's camouflage-print Superhero cape and trousers from the days at the Factory are on display at the exhibition alongside fashion by Halston, Versace and Vivienne Tam, his own collection featured brightly coloured screen-prints of Warhol robots, the Empire State Building (printed and sequinned on a long, slinky evening dress) and ticket stubs. There were no Marilyn prints – that would have been too obvious – and besides, Versace used the image for his collection for autumn/winter 91/92. Iggy Pop, Tama Janowitz and I Shot Andy Warhol star Lili Taylor declared the collection a hit. Iggy Pop already has a wardrobe full of Sprouse and this collection, using images with permission from the Warhol Foundation, was declared a hit.

Sprouse had not shown on the catwalk for five years and this time he is there to stay. The collection will be manufactured by Staff International, the Italian company that produces collections for Vivienne Westwood. The high street copycat versions will follow soon after.

Of course, it is not the first time the paths of Andy Warhol and fashion have crossed. "The Warhol Look" exhibition examines the way the artist was driven by an obsession with glamour, fashion and Hollywood.

As well as showing some of Warhol's own clothes, including one of his wigs bizarrely framed and hung on a wall, the exhibition charts the artist's friendships with the in-crowd of the Seventies: Halston, Calvin Klein, and jewellery designers Tina Chow and Elsa Peretti. His interview, served to fuse the two worlds

even further. In turn, Warhol's work has never stopped being an inspiration to the fashion world: look no further than Calvin Klein's Steve Meisel advertising campaign for ck One. He uses Richard Avedon's larger-than-life portrait of the Factory members, including Joe d'Alessandro and Candy Darling staring listlessly at the camera lens. Meisel transformed it into an advert using a mixture of models and "real" people, but keeping the raw attitude of the original.

Stephen Sprouse is still living in a Warhol world. His East Village New York apartment is painted silver and he skulks around New York's underground, a reclusive, elusive figure. He is still obsessed with the idea of Velcro fastenings – his clothes rarely use zips or buttons, apparently because he broke his arm in the middle of the last decade and wanted clothes he could do up and undo with one arm. After five years away from the catwalk, and several shaky comebacks,

Sprouse has revived his own name with the help of his mentor, Warhol.

If it seems as though Sprouse is living in the past, he perhaps is. But there is certainly a market for his bright and funky screen-printed clothes, if only as collector's items. In Milan, Stefano Gabbana and Domenico Dolce have found a brand new pop artist to collaborate with. For their younger D&G line, they have worked with a young 24-year-old artist, Andrea Martini, who is in his fi-

nal year at the Accademia delle belle Arti in Milan. Martini and the designers share a love of religious imagery and high kitsch. The result is a collection of clothing that reproduces Martini's brash 3-D sculptures of sacred hearts, burning stars and thorny roses in hand-embroidered sequins on to plain shift dresses and simple T-shirts. Of course, if you want to get ahead of the trends, you could always try taking a photograph of your favourite Campbell's soup flavour down

to your local print shop and have it copied on to a T-shirt. Now that would be worth hanging on your wall.

*'The Warhol Look: Glamour, Fashion and Style' is showing at the Whitney Museum of American Art, New York until 18 January, 1998 (001 212 570 3600).*

Stephen Sprouse's spring / summer 1996 collection (above); D&G spring / summer 1996 collection (inset)



## CLOTHES SHOW LIVE

## Like London Fashion Week ... but with screams, whoops and clapping

It is impossible to know what will happen during a visit to the Clothes Show Live exhibition. This year at least 4,000 of the 250,000 visitors will leave Birmingham's NEC with a new look; more than 300 girls and boys will be spotted by model scouts, and every day Fashion Police will randomly choose stylish visitors to appear on the People's Catwalk. This is on top of the chance to see supermodels, celebrities, sports stars, and pop bands and the opportunity to buy thousands of fashion freebies at knockdown prices.

The Clothes Show Live was initially the BBC's favourite fashion programme come to life. Nine years later, it has grown into the biggest interactive exhibition of its kind in

the world; about £205,263 is spent an hour, by at least 50,000 people a day. Each ticket issued for the exhibition displays a seat number and time allocation for the cavernous catwalk theatre which seats 6,500, and stages spectacular fashion shows three times a day. It's a bit like being at London Fashion Week, the only difference being the crowd. They scream, they whoop and they clap as each model, especially the men, strut along the catwalk.

Over 400 fashion companies exhibit at Clothes Show Live, ranging from French Connection whose stand was notable for its long queue last year, to designer names such as Betty Jackson, Patrick Cox, Pearce Fionda and Ben de Lisi who sell



current and old stock. Designer names, however, are just the tip of the iceberg. No Such Soul, Pepe, Cobra Sports, Giant, Ted Baker, Jeffrey Rogers, Country Casuals and Miss Money Penny are just a selection of what will be available. Add to that top session hairdressers such as Trevor Sorbie, Daniel Field and Andrew Collinge, make-up galore, and it becomes a day-out where anything could happen, be it a turn on the catwalk, an appearance on TV or maybe even a totally new look.

The Clothes Show Live Event 1997, sponsored by Lloyds bank, takes place at Birmingham's NEC from 5-10 December. Tickets with a reserved seat in the fashion theatre cost £18.50 from 5-7

December. From 8-10 December the same package costs £13. Fashion Circus tickets cost £5. For tickets call the hotline number: 0121-767 4444.

Melanie Rickey

### Win Win Win

We have 10 pairs of tickets worth £18.50 each to give away for the event on Friday 5 December. To win a pair simply send your name, address and daytime contact number on a postcard to: The Independent/Clothes Show Offer, 1 Canada Square, Canary Wharf, London E14 5DL. Winners must make their own travel arrangements to and from Birmingham International.

### COMPETITION WINNERS

The Independent, Fuji Film and the Clothes Show Live would like to congratulate Paul Gadd, Laura Woolnough, David Vinter, James Moriarty and Christine Coombes. These young fashion photographers were chosen from sack loads of entrants to our Young Catwalk Photographer Competition. Each entrant sent in three pictures that represented their vision of "fashion in action", and on 5 December the lucky five will attend the Clothes Show Live exhibition for the final test – the real thing – a catwalk show, lots of gorgeous clothes and, of course, supermodels.

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## BELOVED AND BONK

### Diary of a divorce



It's such a funny, unfamiliar little word, "nisi". It looks like a typing error and the only time you are likely to come across it is when you are intimately involved with divorce. Most people know about the decree absolute (absolute is easier to spell because you see it on vodka bottles). That's what characters in fiction tend to celebrate getting – the final release that allows them to go off and live happily ever after with somebody else. But decree nisi is really more important; it's the stage at which you declare effectively, "yes, thank you very much, a divorce ... mmm, yummy yum, just what I always wanted."

It's a word I hadn't given a second thought to before this year. One of those words that I didn't even think of when playing Scrabble. A word I'd never have to spell. Even after I'd seen my lawyer and filled in forms, looked at bank statements and worked out how much we spend on school uniforms a year, I managed to avert my eyes from the word nisi.

Until last Friday. That's when I got acquainted with another odd word – "affidavit". I haven't come across that since I did *The Crucible* for O-level English. Lots of affidavits in that. I had to go along to the County court and get the affidavit for the decree nisi sworn. I didn't look too closely at the couple of sheets of paper summarising my married life. One of them had Beloved's spider scrawl on it and was therefore almost too scary to even hold; the other said things about divorce on the grounds of finding Beloved's "infidelity intolerable". Which, of course, is nonsense – infidelity in the Media business is an occupational hazard. What's intolerable is that he left me.

Anyway, I trotted up to the County court not feeling too bad. I kind of imagined that there would be some kindly and venerable old judge-cove, like God from primary school, who'd pat my hand and say, "You deserve better my dear", as he stamped my bits of paper. In fact it was a plump and pasty girl behind a glass screen like a bank, who shoved a Gideon Bible out through a slit and asked me to swear on it. I knew exactly the sort of swearing I'd have liked to have done. Damn sight more creative than what the law required. All I had to say was that this is all true and it's my writing on the form, but somehow that suddenly became almost impossible. A tennis ball had jumped down my throat and five pounds of onions behind my eyes. It took me 10 minutes to stand up straight enough to look through the glass. And another 10 minutes and a constant stream of tissues to be able to hold the nasty, little, greasy maroon book and say the words.

I staggered back down the oak-lined corridors, past the security guard with a PhD in unfeeling indifference and outside into the street. Then I had to negotiate one shopping precinct and a pelican crossing to get to the lawyer's office to deliver the sworn over and now rather damp bits of paper. Public crying in Britain is the closest healthy people come to the experience of a medieval leper. No one stops and says, "are you OK?", no one prevents you walking into things because you can't see properly. They just look so frightened that I'm sure a person in full blub could hold up banks.

The thing that amazed me about the whole deal was the surprise expressed by the plump court clerk and subsequently by the lawyer's receptionist. They clearly weren't used to people being so upset. What do people do with all their hurt in these situations? There's no meaty ritual to get stuck into, no equivalent to walking backwards down the aisle with the wedding march played in reverse, so I suppose people just go home and give themselves depression and ulcers and cancer. I think the NHS could save itself money by investing in old plates for people to smash on exit from County court offices, and lawyers' offices, or employ a few kindly old coves to pat hands and say, "there, there". A moth-eaten Bible and a pack of Kleenex just aren't enough.

Stevie Morgan

## Sorry is the hardest word (or the easiest)

When the president of the bankrupt Tokyo stockbroker Yamaichi broke down in tears of shame on television, you might have thought it very Japanese. Well the shame was, but not the tears. In the West, on the other hand, public tears are commonplace but shame has given way to shamelessness.

The stocky little Japanese stood with a microphone under his chin and sobbed. He bowed deeply and with each bow he howled. It was not what we had come to expect.

Mr Shohei Nozawa took more than Western television viewers by surprise with his extravagant outpouring of sorrow when he stood up to apologise publicly for the crash of one of Japan's oldest stockbrokers. He took the Japanese by surprise, too.

We, of course, did not quite know what to expect. A ritual disembowelling perhaps? Only a few years ago a story circulated in London financial circles, no doubt apocryphally, about a Japanese chap who ran a sushi-at-your-desk delivery service who had given one of his clients food poisoning had committed hara-kiri.

But the ritual suicide is a bit of a Western cliché. There are, in fact, fewer suicides in Japan than in Europe. But it is true that an act which in the West is seen essentially as a selfish act can be

BY PAUL VALLELY

selfless in Japan. Not long ago, a series of blunders and lies at a nuclear storage facility disgraced the company who ran it. One of the employees jumped off the building. His death was seen as honourable. In Japan honour is bound up with shame. In other cultures the response would have been very different.

To Westerners, the odd thing about Mr Nozawa was that he was comparatively clean. He had only recently taken over the top job after the previous bosses were ousted for a scandal in which they paid racketeers to stop them embarrassing the board at AGMs. Had he been a British manager, learning from the example of our politicians, no doubt he would have said, "Sorry, folks, but it's not my fault. It was the last lot. I'm just here to pick up the pieces. Don't blame me."

But the Japanese would have been outraged by that; it would have been smacked of arrogance. It would have been unthinkable for him not to have apologised. Japan is still a society where an individual's identity derives not from personal achievement so much as from the groups he or she belongs to – family, school, job, clubs, community in concentric circles out to the nation. This is a world where the company outing or golf on Saturday is not an optional treat; it is compulsory. Personal responsibility is also collective responsibility. If your company goes down you are tainted too.

Shame is what regulates all this. No



Shame on you: Mike Tyson, Neil Hamilton, Winnie Mandela and Earl Spencer (right, from top) have no idea of the depth of shame felt by Yamaichi president Shohei Nozawa whose howls of remorse came from the very pit of his being

one wants their inadequacies exposed before their peers. It is a world whose codes are derived from the detachment of Buddhism and the Shinto tendency to think in terms of purity and impurity rather than good and evil. We in the West draw more on a Judeo-Christian inheritance of guilt rooted in the notion that we must respond to the commands of a personal God. Guilt is therefore internalised; you can be guilty alone but you need a community for shame.

It's an interesting conflict. Guilt produces self-blame, remorse, anxiety – ideally enough to prompt expiatory action. Without guilt there could be no sense of responsibility in personal relationships, though guilt can become neurotic (ask the Catholics and Jews) and may persist long after remedial measures have been taken. And it may be displaced so that feelings are apparently aroused by something other than the real cause.

But shame is a much more potent social force. And in recent years it

seems that it is exerting greater power in the West too. Neil Hamilton and Jonathan Aitken were shamed out of office rather than being driven from it by guilt. But because shame depends upon a community, it, too, has a lessening effect as society is atomised by the philosophies of the market and an ever-greater individualism. As society fragments, shame is confined to smaller peer groups – with doctors, clergymen and other professionals unrepentant except in the face of the disapproval of colleagues who might disbar them. Then there are those like Winnie Mandela who seem not to know the meaning of shame.

Indeed there were those yesterday accusing Earl Spencer of shamelessness, contrasting his moral outrage at the funeral of the Princess of Wales with his admitted adultery with Sally-Anne Latham and allegations of adultery with a further 11 women in the first five months of his marriage which he is now facing in the divorce courts. Spencer, of course, is

contesting the allegations.

Apologies today are everywhere. Britain has apologised for the Irish Potato Famine. The US government is considering saying sorry for slavery. Even the Japanese government thought about making an apology for the Second World War – before deciding it might have to pay compensation if it did.

But the latest phenomenon is the exorbitant apology. Consider the following from Mike Tyson two days after he bit off the end of Evander Holyfield's ear: "I apologise to the world, to my family, to the Nevada State Athletic Commission that has always treated me fairly. I apologise to the MGM, to Showtime, to Don King, my promoter, to my team and to this wonderful city of Las Vegas that has hosted so many boxing events."

In the modern world apology has become a devalued concept. Confession has now replaced contrition rather than merely following it. What was once a vice restricted to consent-

ing Catholics acting in private, is now public – and preferably televised. This misses an essential point.

While imprisoned in a concentration camp, Simon Wiesenthal was once confronted by a dying member of the SS seeking a Jew to confess to. "Give me absolution," the man said. But Wiesenthal could not. For the same reason Archbishop Desmond Tutu was once upbraided by fellow blacks after he accepted the apology of the Dutch Reform Church when it expressed remorse for apartheid. Only the sufferer can forgive.

The tendency in the contemporary world, however, is to demand instant forgiveness of whoever is tuned in. Relief, like everything else in modern life, must be instantaneous and complete as a Hollywood happy ending. The weeping Japanese company president in the Tokyo Stock Exchange this week seemed a world away from this. His howls seemed to come from the very pit of his being, and we were not sure what to think.

## THE INDEPENDENT

### The Independent and Selfridges Food Hall Gastronomic Event 1st December 1997 7.30pm – 9.30pm

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## Lifting the black woman's burden

In a Johannesburg township, an inspirational woman who knows all about sexual violence is leading young men towards a much needed emancipation. They may have beaten apartheid but oppressing women, reports Anthony Swift, is still a way of life.

Mmatshilo Motsei's organisation, Adapt (Agisang Domestic Abuse Prevention and Training), located in Alexandra township in Johannesburg, is devoted to combating the sexual violence that is endemic in black South Africa. Once a nurse in a trauma unit, she tended to a flow of women with injuries inflicted by partners. "One was wheeled in with an axe embedded in her knee bone," she says. Such exposure helped her confront the violence in her own marriage. "I underwent a whole cycle from anger to denial to blame; loss of self-esteem, extreme depression, the thought that if I did things differently the abuse would stop, until I realised it had nothing

to do with me. It was my partner's problem." Strong parental support – which few victims of domestic violence enjoy – enabled her to leave him.

Adapt was set up to help survivors of domestic violence. It holds community workshops, trains community and health workers, and engages vigorously in the growing debate, locally and nationally.

Earlier this year, Motsei extended her work to men, teaching them, through role play and other techniques, to take account of their behaviour.

A young man, Busang Mokabudi, has just played the woman rape victim. He is strangely withdrawn. Asked how he felt, he replies, "I am shocked. My 'attackers' are friends. They would never hurt me but I was really afraid. For the first time I realise what women go through."

Busang is one of a group of male anti-apartheid activists who are confronting the fact that though their generation fought tyranny – they overlooked their own subjugation of women.

They refer to Mmatshilo Motsei as "mother" and describe her as their role model. "People find it easy to engage



Mmatshilo Motsei and members of Adapt confront the routine violence against women

in national liberation," she says. "When it comes to personal liberation they can't cope with it."

The early Nineties saw the emergence of "jackrolling", raping sprees conducted by gangs of marginalised youth who target black women who they regard as "getting above themselves". Though it started in the townships, such attacks have also plagued some university residences.

Interviews published by the Centre for the Study of Violence and Reconciliation reflect the routine victimisation of women:

"I have told myself 'cherries' can't tell me anything; when I want it she must give," said one man. "Some invite jackroll," said another. "They walk in the street wearing minis. You get aroused. They snub you. We can't stand this shit."

"They think themselves better than us; they prefer men with money and big cars. When these women get jackrolled, it's OK," said a third.

According to Rape Crisis, one in two South African women endures rape. Domestic violence afflicts 60 per cent

of homes. Researchers are finding that in some primary schools, "catch and rape" and simulated killing games have replaced cops and robbers.

What is remarkable is not the degree of violence – Unicef and Christian Aid recognise such violence as an obstacle to development in many countries. It is the growing determination of South Africans to expose and tackle it that is noteworthy.

The men have begun to realise that if violence against women short-circuits their aggression it also takes them into

isolation from women and from their own humanity. They are struggling to change.

Boitshepo Lesetedi, the former national general secretary of Young Christian Students, regarded himself as a gender activist. He later recognised his own violence when, unusually, a partner stood up to him.

"There is a tendency for young men to discipline women who treat them indifferently," he explains. "Therefore a number of girlfriends unfortunately ended up being smacked by me."

At weekly support meetings with Motsei, the men hold discussions, plan courses of action and review their progress. Instead of blaming women, they are beginning to grasp the anatomy of their aggression – their patriarchal culture, parental role models, political oppression and post-apartheid joblessness. Such explanations feed not resignation, but a determination to broaden their struggle. "We must not blame apartheid to a point where we are paralysed," says Busang Mokabudi. "After the rape role-play, I realised women must feel as I did under apartheid – that, however they hurt, they have no right to complain."

"That is a terrible feeling. I know now that I want men to change. I want to tell them, 'Just role-play the part I played and you will feel it for the first time.' I am ready to expose this thing to everyone."



— *Kate O'Hanlon, Barrister*



## A budget to shake our faith in the Government's ambitions



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In a damp month, a soggy squib. What is the point of an exercise that calls itself consultative, then announces accomplished policy facts; that promises great change, only to admit that the detail has not been worked out and can't be revealed till the day after tomorrow?

Here was a stunning chance to educate the nation in fiscal business and the long game plan, and it was missed. Gordon Brown did not even fly a kite – for example, give some sign, however tattered, that he is thinking about mortgage tax relief, that he has come anywhere near the crux decisions needed if pensions are to be reformed in a lasting and enduring way.

Let's repeat that word, reform; it's got nothing to do with Wilsonian gestures on winter fuel relief for the old, welcome though they unquestionably are. We do not need Gordon Brown playing Santa Claus. We need him to put this government's astonishing power and prestige behind a scheme that will ensure that 20, 30, 40 years

down the road, there is no longer a case for this kind of bail-out.

Here, yet again, was the Blair government having it every which way, and no particular way at all. Grand spinning, and much harping on the radical theme, when in the event all the Chancellor did was top and tail announcements he made in July. Telling us we are to have a National Minimum Wage was, to put it bluntly, a waste of space: we read that in the party manifesto and have been standing by ever since. Waiting. The country, and this paper, continue to have great faith in the Government's ambitions. But there is considerable unease among voters about its capacity to realise those ambitions.

This begins to look like a government that won't pamp. What else is power for? To say that integrating taxes and benefits is difficult, is elementary. A shelf full of studies and analyses tell how it could take place and at what cost. Mr Brown – his aides and civil servants – ought to have

read them long ago. Now we should move forward.

But in which direction? As a parliamentary performance, yesterday's statement was first rate; concise and assured. We are getting used to that. As a message about New Labour ideology, it shambled. Take Mr Brown's serial use of the word "responsibility". What does it mean? In fact, what on earth was that long peroration about pay restraint really for? This is a capitalist society where, surely, government can ask for restraint only if it can convince us that it is a moral enterprise, dedicated to increasing social justice. Where, then, were the Government's proposals for making taxation fairer, for stripping from home owners their unfair subsidy, for taxing inheritance?

It didn't help that officialdom chose yesterday to announce the gift of a superior gong to the original fat cat, Sir Denis Rooke of British Gas. Sir Denis may be an accomplished gas engineer; he has also

gained mightily from doing nothing other than still being at the helm when privatisation took place. All the talk of moderation, of responsibility from the boardroom downwards – and here is another example of the proverbial difference between the law for the rich and that for the poor.

Labour may argue that its policies – including co-operation with business – have a core purpose: to maximise employment. Let's be generous, and agree that the Government is sincere in wanting to create conditions in which job opportunities expand. Even more, let's agree that it is a fundamental and decent objective, more attainable than the tiresome Tory defeatists can yet bring themselves to admit. The Government is convinced that work is the key to social, as well as economic, emancipation, and who can gainsay that view?

Fair enough. But here lies real complexity. The easy thing to do (decent enough, but easy) is to shell out some money to allow elderly people to be

warmer this winter. Done that. We approve. Who wouldn't? Labour backbenchers approve. Are you surprised? Is this what it's all about? By no means. The question – is how Labour intends to make the tax and benefit system fairer and more effective. Instead we had a mildly fatuous exhortation to employers to hold back on pay – their own, and their employees'. Bluntly, Gordon, it's up to them to decide what they need to pay people in order to retain them, motivate them and deliver growth; you don't really have much to do with it. In fact, when did you ever have to negotiate several hundred individual salaries? No: your job is the public finances, and we are not that much wiser this morning on the subject than we were yesterday.

This government's fate seems to be to spin an exciting line about what it's about to do, and then fall just a bit short of the billing. It's not clever. And people are less and less convinced by it.

Post letters to Letters to the Editor and include a daytime telephone number. Fax 0171 293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

## LETTERS

### Deer hunting

Sir: Those of us involved over the past 10 years in opposing the last remnants of deer hunting with hounds in this country are all too familiar with the battle cry of the pro-hunt lobby, "No hunting – no deer". Spokesmen for the hunts profess how much they love the deer and love seeing them about. Yet, like the child who takes his ball away when others refuse to play according to his rules, when the deer hunts see the end in sight, their tune dramatically changes and, as Nicholas Schoon states ("Bloody revenge for stag hunt ban", 25 November), "the slaughter, motivated by a combination of anger, greed and the desire to make a point" takes over.

In other words, if they are deprived of their little bit of fun – albeit fun at the expense of extreme suffering caused to the hunted deer – then they will make the most money they can from killing them off.

Perhaps the Government should revise any subsidies paid to farmers in direct ratio to the thousands of pounds we are told they have made out of killing off the deer (game dealers' records will show who they are).

If the Quagga herd is in danger of extinction within a few months, we shall all know where to look for the culprits – and it will not be the anti-hunt welfarists.

DOREEN CRONIN  
Taunton  
Somerset

Sir: Following the ban on stag hunting with hounds on National Trust land, it appears that hunt-supporting farmers have taken drastic action in order to demonstrate the fulfilment of their own predictions, rather than manage the deer population in a responsible manner.

The behaviour of these farmers cannot be regarded as deer management and it must be seen as an isolated incident of revenge after the abolition of stag hunting with hounds. If such farmers had truly wished to reduce the deer population, they should have shot hinds and younger males, in accordance with the cull figures set by the Quagga Deer Management Group. Deer management best practice involves the harvest of

a sustainable surplus of animals, rather than the execution of large trophy kills.

As a representative body for both professional and recreational deer managers and stalkers, the British Association for Shooting and Conservation strongly condemns the behaviour of this group of people who have mistakenly drawn public attention to their misleading and irresponsible behaviour.

LESLEY FERGUSON  
British Association for Shooting and Conservation  
Wrexham, Chwyd

Sir: It is clear that the slaughter of red deer stags in the Quagga Hills was largely the work of one bloody-minded individual. I suggest that he spends the profits from his vindictive butchery on a deer-proof fence.

TIM GARRETT  
London N7

### Children in care

Sir: Andreas Whittam Smith rightly highlights the failings of the residential child care system (25 November), but the solution is not as simple as making residential care a national service, with foster care remaining at local level. Child care services need to be integrated, as children and young people may well need different types of placements at different points in their lives.

One of the real problems is that residential care is still too often seen as the "dumping ground" for young people for whom foster care isn't available. Any service which is seen as second best by those who provide it will inevitably be experienced as second best by those receiving it. Despite the plethora of reports on residential child care, we still haven't got the basics right, in terms of recruitment, training and support

of staff. We are nowhere near meeting the targets set down for proportions of trained staff working in care settings and it is questionable whether this can be achieved without additional funding being made available.

We also need to change public attitudes. The attitude that "if you're homeless or in jail, you probably grew up in care" continues to present a negative image of young people themselves, rather than the system which has failed them. Statistics show that you're as likely to end up homeless, or in trouble, or have a major drink problem if you've been in the armed forces as you are if you've been in care.

Children in public care are not someone else's problem, they are everyone's responsibility. A simple test for those providing, purchasing, working in, or inspecting residential child care is to ask the question "Would this service be good enough for my children if I

couldn't look after them for any reason?" If the answer is no, then it's not good enough for any children.

CATHY JAMIESON  
Who Cares? Scotland  
Glasgow

### Cure for car addicts

Sir: Nicholas Schoon quotes Michael Meacher as saying that there must be "more discriminatory use of cars" ("Prescott's global mission", 19 November). This is a classic example of a worthy aim to which all will subscribe and from which most will find clever grounds to claim exemption. So how can we be cured of such a deeply ingrained addiction?

The quick answer is by road tolls and an increase in the price of petrol and diesel. However, there is good evidence that most car users will tolerate substantial increases in cost. The real victims will be

small businesses, the poor and nearly poor.

Why not focus on carbon? An alternative to the blunt instrument of pricing could be the carbon smart card, a credit card charged with a given number of kilograms of carbon as an annual allowance. Each time a fuel was bought, the card would be debited the appropriate number of units according to the carbon-intensity of the fuel.

The allowance would need to take account of people with special needs and those in rural locations. It could be manipulated year by year to reflect the country's performance in meeting CO<sub>2</sub> targets.

The scheme is not discriminatory or inflationary and would provide an incentive to manufacturers to accelerate the production of ultra-efficient and hybrid vehicles. It would achieve public acceptance since it is targeted at a global rather than

a domestic problem and is not a thinly disguised tax.

Professor PETER F SMITH  
Royal Institute of British Architects  
London W1

Sir: James Cadle's greenhouse effect figures (Letters, 22 November) are misleading: transport accounts in the UK for 28 per cent, and world-wide for 22 per cent, of CO<sub>2</sub> emission (OECD, 1993).

Even more serious is the unconscionable waste of fossil fuel. Evidence shows a permanent decline in global oil production within the next 20 years (Nature, Vol 387). Continuing car use increase world-wide will increase the discrepancy between demand and supply, with the certain outcome of wars for oil. One oil war, however disguised, has happened already, in the Gulf in 1991.

Professor G V R BORN  
London EC1

### Global warming

Sir: The US and Australia evidently discern so little danger from global warming that they see no need to curb their carbon dioxide emissions ("Paradise islands: will the world act to save them?", 24 November). Presumably, then, they would not mind signing up to a scheme to compensate people and nations adversely affected in the future, in "the unlikely event" that global warming proves to be a real threat.

It should not be beyond human imagination to come up with a scheme whereby nations emitting significant levels of carbon dioxide would share the liability based on, say, the total amounts of the gas that each would have emitted since 1990.

In some cases, cash payments might be enough; but for the millions displaced by rising sea levels, alternative citizenship might have to be offered. This really would give Australia a reason to consider its sustainable population level.

JIM HART  
Edinburgh

### Irish war record

Sir: The devastating effect on British shipping in 1940 by U-boats off the west coast of Ireland (Letters, 22 November) is set out in detail by Winston Churchill in Volume II of his publication *The Second World War*. He wrote to President Roosevelt on 13 December 1940:

Now that we are denied the use of Irish ports and airfields our difficulties restrain our flotillas to the utmost limit... we are so hard-pressed at sea that we cannot undertake to carry any longer the 400,000 tons of feeding stuffs and fertilisers which we have hitherto conveyed to Eire through all the attacks of the enemy.

He spoke of "The straits to which we are being reduced by Irish action".

JOHN ALDERSON  
Ottley St Mary, Devon

### Fear in Albuquerque

Sir: Will someone explain to me why an American couple, fearful of harassment in Albuquerque (Comment, 22 November), can settle in Colchester so easily? Is this because they are not Slovakian gypsies?

GUY CARLESS  
Wareham, Dorset

## How to judge the success of an advertising campaign while wearing a leaky hat



MILES KINGDON

When Labour won the election in May (more than six months ago that means it's only a bit more than four years to go to the next election!) they were jubilant, as well they might be.

"We've done it!" they cried. "We've actually done it!"

But done what? It has always struck me as curious when a party celebrates an election victory as an achievement, or a performance, or a valiant deed, because the party itself has done nothing – it is the electors who have done the hard work. Oh yes, the party has done the campaigning, the promising and the talking, but that is not what parties are primarily for: parties are for governing and running a place. It is what happens after an election that matters, not before. It's just that you just wouldn't think so from the way the winning party shout. We've done it!

In a funny sort of way, the Tories got it right. When the size of their election defeat became clear, they banded it to Labour for the way they had fought the campaign. Brilliant strategy... great image-building... wonderful communication – all this the Tory party conceded admirably. They never said they thought that New Labour would be good at forming a government and running the place, only that they were good at winning elections. It was like an advertising agency applauding an advertising campaign run by a rival agency.

What do I mean – it was like it? It was exactly the same! When it comes to an election, each party is an advertising agency. We bought the Labour slogans, and we bought the product. The product sounded good, and sounded hopeful. It sounded as if it would work better than the old model, the Tory one that we had been using for 13 years, and which was getting chipped

and rusty and was developing strange rattles. Better to trade the old Tory model in for the New Labour model...

And now that has been done, and the first signs are beginning to appear that when they got the New Labour model out of the box, and plugged it in and started it working, it had a few strange rattles as well. Well, madam, of course there are – it's a new model and it needs to run itself in; you always get a few strange noises with a new government; after all, it's bound to squeak a bit if it's squeaky clean! No, seriously...

But it happens all the time. We are always falling in love with an image and then running up against the reality.

Not so very long ago my wife got an Orange telephone because she was working for a month in a place where there was no public phone. Fine. Then she brought it home. This wasn't such a good move. In

the valley where we live you can't receive or send messages on Orange phones, so it became useless. We wrote to Orange explaining why we would like to discontinue our use of an Orange phone. After a while they wrote back, saying they had been trying to phone us, but with no luck...

Virgin is another firm with a shiny reputation, but when my wife and I booked a transatlantic flight with them this summer, we had an extremely disappointing trip (food running out before everyone had been fed, etc, etc).

Yes, I know everyone says how good their experience with Virgin has been – I can only tell you what happened to me, and that is what most of us tend to do.

For instance, when I bought an Australian Driza-Bone hat ("the legend of the bush") during a wet visit to Wales. I was quite prepared for it to start leaking the rain in one day, sooner or later. What I didn't

expect was for it to become sodden and start leaking on my head the very first time I wore it. It has leaked ever since, so that I now only wear my Australian Driza-Bone hat when it is sunny, which is somewhat self-defeating.

Nor, recently, after I took my trusty old Saab to the Saab garage for an expensive service, did I expect the trusty old Saab to completely seize up a couple of days later, especially not at 1am on the outskirts of Cheltenham...

Maybe I have just had a run of bad luck. Maybe the god of humorists is putting a few duff experiences my way as what he thinks is great material for an article or two. Maybe.

Personally, I blame the Government.

The Comment Editor apologises for inadvertently reprinting Miles Kingdon's Monday column in yesterday's editions.



## Other people's lives are more than just a public peep show



DAVID  
AARONOVITCH  
THE RIGHT NOT  
TO BE KNOWN

Only if Humphrey the cat had had it off with Roy Hattersley's mongrel, Buster, could yesterday have been a better day for our middle range tabloids. As it was, Humphrey's exile to south London rated greater coverage in the *Daily Mail* than did the collapse of Yamaichi Securities and the implosion of the South Korean economy. But the Downing Street moggy still rated considerably fewer column inches than did the private tribulations of the Spencer family, and the agony of all those caught up in the aftermath of the death of Michael Hutchence.

In the case of Earl Spencer, revenge was sweet for the editors who he had turned away from his sister's funeral, and upon whose venerable heads he had then heaped the most effective scorn. In a courtroom in South Africa – all in the public domain and without anyone having to bug a single phone or pay a single paparazzo – a tale was told of serial adultery and marital unpleasantness. "Twelve women in 5 months" became the memorable statistic of the week, just as the most durable image was of the wronged wife and her bizarre new ally, Chantal Collopy (one of the women who had collaborated in wronging her), walking together to the courtroom, the sun catching their beautiful long hair.

The Michael Hutchence story, being a continuing saga, we had got round to slugging off Bob Geldof as the "man what drove him to it" – though we weren't quite finished with Hutchence the Wild Child. With Hutchence still unburred, I discovered (in the *Express*, "Star who lived and died for sex") that his genitalia had been nicknamed the Taj Mahal – for reasons that seemed clear to *Express* journalist Louise Gannon, but that mystified me – and that one ex-lover had said of him, "The first time we went to bed, he did six things within the hour that I was sure were illegal." Ms Gannon, who is more of a woman of the world than I am, comments that "one can only imagine what 'illegal acts' Hutchence initiated."

But, oh, how salacious! How titillating! Better than a Joan Collins novel! Juicier than a nice murder! And just in case any of us were guiltily wondering whether we had a right to know any of this – whether its disclosure was really in the public interest – the intelligent Henry Porter was on hand in the *Mail* to reassure us. Lambasting the Earl's support for restrictions on the press, Mr

Porter averred that "the most vocal advocates of a privacy law are those with most to hide". Take, for instance, the revelations about Robin Cook's affair and split from his wife. Says Porter, "Naturally, any man experiencing this kind of upheaval is affected and it is as well for voters to be in possession of this information."

It would be easy at this point to accept Porter's argument on the basis that he shares with Gannon unique insights into the human condition, such that "this information" helps him to make useful judgements on Foreign Secretaries and others. But before we do, we should perhaps read on. "Of course," he continues, referring in part to the *Sunday Mirror's* tidal duvet exposé of former MP, Piers Merchant, "there are important criticisms to be made about the conduct of the Press... particularly when mini video cameras are deployed in people's bedrooms."

No, Mr Porter, this will not do; your argument has just fallen apart. If it is in the public interest to know about Mr Merchant's affairs (so that we may the more accurately judge him), then his words to Ms Anna Cox, his endearments, his passion should also be in the public domain. Given the dangerous fondness of public men for erotic asphyxiation these days, we are entitled to inspect them for signs of attempting to enhance their orgasms. We need to know how happy politicians' and rock-stars' marriages are, or what trouble their children are in. If this is best accomplished by hiding cameras in their boudoirs, then what's the problem?

And do not many of these folk court publicity in the first place? It is their choice to talk about their sweet kiddies to interviewers, to be photographed in flattering light for publication, to tread the boards before us. Does not this justify our interest in those aspects of their lives that they would rather not share with us? Take, for example, CNN tycoon Ted Turner and his speech to an editors' lunch, where he claimed that he and his wife, Jane Fonda, make love three times a day. This prompted another *femme du monde*, the sceptical Glenys Roberts in yesterday's *Family Values* (ie sex obsessed) *Mail* to wonder, "does anything go on behind the bedroom door?" and to attempt to answer the question. Ted had, surely, brought Ms Roberts upon himself. Hadn't he?

Well yes, if you believe that the dinner party guest to whom you confided your dislike of your brother-in-law, say, is then entitled to take secret photographs of you nude in bed, or rummage through your rubbish bin in search of further information. Or if you accept that, should the local paper snap you and your smiling children on the way to school, they are then morally clear to publish purloined details of your son's poor academic record in the next edition.

But you don't believe that, do you? Your private life is your own affair and your family's, messy and complicated as it is. And so it must be with others. Michael Hutchence? Look, it's none of your business. Earl Spencer? It's none of your business. Len and Betty Tubbs? Really, it's none of your goddamned business. South Korea goes belly up? Now that one is your business. If you can find out about it,

## Don't end one of our few great Enlightenment legacies



ANDREW  
MARR  
ON MUSEUM  
CHARGES

The Conservative Party was shocked. It understood that it lost the election. These things happen, even to great parties. But why was it so hated by so many otherwise mild, reasonable people? Well, one reason was that the Tories came to seem mean in spirit, custodians of a grim, Treasury-dominated world in which everything had a price and nothing seemed to have value outside the ledger book. This is not a mean-spirited country, however. So we elected a new government.

And now, is it all happening again? One of the things the Treasury never quite managed to achieve under the Tories was to put price-barriers up around the very best of our art galleries and museums. One of the glories of Britain has been the freely available great art collections, from Glasgow and Plymouth to Sheffield and Belfast. The best of the best are in London, where from chunks of the Parthenon in the British Museum, through the mainstream Western painting collections of the National Gallery and the National Portrait Gallery, to the modern and British art of the Tate, the people have had free access to one of the great accumulations of world art.

This heritage is not a remnant of the post-war state. It dates from the founding of the British Museum in 1759. For more than 200 years, national politicians and municipal authorities have recognised that free admission is good for culture, education and the general mental well-being of the country. It is, to use a hopelessly old-fashioned term, elevating.

Now, with the arrival of a shiny new Labour government, one which revels in the rubbied-off glamour of rock stars and fashion designers, and which has boldly used the word "Culture" in renaming the Depart-

ment of National Heritage, there seems a real possibility that it could all be brought to an end.

The rumour was started a couple of weeks ago when the undeniably cultured arts minister, Mark Fisher, made a speech to the Museums and Galleries Commission in which he failed to mention free admission at all – even though it had been a pretty constant theme of Labour in opposition. It is now clear that the Treasury is giving Mr Fisher's boss, Chris Smith, a very torrid time over the issue.

The Culture Secretary wants to protect free admissions and to begin to turn the tide so as to open up some of the charging museums, like the Natural History Museum and the V&A. But with their budgets cut in real terms and little support from the Treasury, the free national museums are already under terrible pressure to charge.

The most immediate problem is at the British Museum, where the move away of the British Library and recent grant cuts have pushed the trustees close to the brink of accepting charges. They meet on December 6 and have a real dilemma about how the Museum is going to get through the next financial year.

The consensus in Museumland is that if the BM topples, many other museums and galleries throughout Britain will give up the struggle and begin

to charge admission too. This may be the hype of campaigners, but there are plenty of people in Whitehall and at Westminster who agree. A tradition rooted in the Enlightenment and secured by the Victorians could then gutter and disappear under Blair. The Treasury couldn't give a hoot. But many people will. What happens over the next fortnight will affect Labour's reputation for a long time to come.

But isn't the Treasury right, you may ask. Why should the rest of us subsidise those who wish to wander and loiter in front of old paintings or sculpture? Isn't this just like the Opera: old, elitist culture which should struggle in the market for its quids like everything else? And why should British taxpayers whose idea of fine art is an Athena print pay for the aesthetic pleasure of cultural tourists from Kyoto, Hamburg or Chicago?

People who criticise the idea of free galleries and museums mostly don't use them, or understand how they are best used. Yes, tourists might fork out a fiver a head to see the National Gallery once. Yes, there are some better-off art addicts who would pay time and time again, becoming "friends" of favourite galleries, buying season tickets or whatever.

But for those of us who love these galleries, and people who are learning to love them, the whole point is to be able to pop in. An hour or two leaves you

with aching feet and a numb mind. You need to be able to U-turn off the street, or squeeze a stolen quarter of an hour, to look at a particular painting or exhibit. Charging would stop most people even thinking of doing so. Unsurprisingly, galleries that do charge have found fewer people making short visits.

In the end, the argument reduces to whether great art is valuable – not for national hoarding but for popular experiencing. How much good does that do? From the standpoint of the state, how do you measure that indescribable whoosh of pleasure in the mind of milling citizens who experience at first hand the emotional and intellectual power of a Stanley Spencer or a Titian? What's it worth on the balance sheet?

Answer: nothing. Art critics and philosophers have, from time to time, tried to demonstrate that a love of form and colour, of drawing and harmony, leads to better citizenship, moral intelligence and good living. None has succeeded. None ever will.

And it doesn't matter a damn. Pleasure doesn't need an external measure of value. The great collections are there because, generation after generation, people liked and valued them. Lots of people from different backgrounds found they

made life more tolerable. They soothed, excited, provoked, reassured.

Retaining them as great stone-clad machines to make us happier is part of our national luck. For any democrat, it is a luck that should be shared as widely as possible. Putting barriers at the doors of the National or the Tate will – whatever the politicians say – shut out people whose lives would otherwise be enriched by what is behind them.

Above all, these galleries and museums and their contents belong to us, not them. They are not the property of trustees, or the Treasury, or any passing political administration. Unlike any private theatre, or cinema, they are ours. Discouraging us from entering them would be like charging people to walk through Trafalgar Square, or Cambridge, or Edinburgh New Town.

One of the central philosophical failings of the Conservative years was a failure to understand properly the value of the public, as against the private. The public space, collection, building or service provides a place where we can all stand equally together, at least for a while. Whatever their own tastes, earlier generations of Labour politicians understood the point instinctively. I hope that this one does too.



A public value beyond price: looking at the Elgin marbles in the British Museum

Photograph: John Lister

## The only way to be radical is to be prudent



PETER  
MANDELSON  
REPLIES TO THE  
INDEPENDENT

The idea that the left faces a perpetual choice between being prudent and radical has dogged us for years. This must be exposed for what it is: a false choice which serves nobody but the Tories. It was an idea put with great vigour in *The Independent* leading article yesterday ("Stake out the centre, by all means, but don't call it radical"). The Government looked "very prudent" we were informed, but "the hard reality is, you can't look or feel radical at the same time as you stroke and soothe the middle ground. Radical means change and change upsets people".

Having set out the choice the leader commended the Government's prudence whilst soulding us for presuming to call ourselves radical. It agreed with Labour's economic policy. It agreed that nothing justifies departing from the spending limits set by the previous government. It singled out health and education as needing extra cash – ignoring the fact that Gordon Brown did that, too, in the budget! – but agreed that the total spend had to be kept to. It even supported our decision to implement the cuts in lone parent benefit, calling on Labour, in language that would get a government minister lynched, to "distance itself from the poverty lobby".

It may seem odd to take issue with an article pledging apparent support with the Government's economic policy, but the sting was in the tail. If we were determined to be this prudent why did we want to win

the next election? What for? Was the Government just "a vehicle for consolidation and compromise" that had abandoned the aspiration of radicalism for ever?

This snotiness needs to be challenged on two fronts. First, the intellectual absurdity of the position that economic prudence precludes radicalism. There is absolutely no basis for this damaging assertion. It effectively defines radicalism as imprudence and taunts the left with the message, "you can't call yourself a radical unless you take risks with the economy". This is the opposite of the truth. All logic and historical precedent tells us that you cannot be a radical if you take risks with the economy. As Labour has found to its cost in the past, unless governments get the economic fundamentals right, they cannot pursue radical objectives, because they become preoccupied with fire-fighting.

The other definition which was used yesterday to define radicalism is that it should upset people. "Without upsetting someone, some day, somewhere (and that means people who matter, not rich potential donors), you can't be radical." Again the logic of this is faulty.

Of course not all policies will please everybody: there are always losers as well as winners

from virtually every political decision: but upsetting the maximum number of people should not define radicalism. Presumably "people who matter" are the voters, and, as the Tories found out at the last election, the best way to upset them is to break promises. But breaking promises is not radical, it is radically stupid. It is not something which this Government is going to do. The test of radicalism is how far a government is prepared to please people by delivering a radical programme, not how far it is prepared to upset people by radically departing from it.

Which brings me to the second basis on which the leading article needs to be challenged. This is the erroneous assertion that this Government is proving the thesis by choosing prudence rather than radicalism, while pretending to be all things to all people. Certainly we are being prudent. It is right that we take tough decisions to put the economy on track for the long term. It is right that we tackle the huge deficit in the public finances left to us by the Tories. And it is certainly right that we take no chances with in-

**'Logic and historical precedent tells us you cannot be a radical if you take risks with the economy. Unless governments get the economic fundamentals right, they cannot pursue radical objectives, because they become preoccupied with fire-fighting'**

flation, by acting now.

But the argument that we are not radical just does not stand up. At the election, people wondered how much of a difference we would make. We are making progress – not just the five pledges but the whole manifesto. Schools are getting £1bn more next year, and £1.3bn for capital repairs. We are training up every primary school teacher to hit our targets on literacy and numeracy. We have funded summer and after-school clubs to help kids catch up. And we have al-

ready legislated to raise the money to cut class sizes. We are tackling long-term and youth unemployment. The £3.5bn programme to get people to work, based on the principle that rights and responsibilities go together, is the most ambitious programme yet seen to counter economic exclusion. Pilots start in January, the full programme in May, and we are extending new opportunities to lone parents and disabled people.

There is £1.2bn next year, £300m this year, for the NHS. But with money goes modernisation: a new cooperation

with social services, new emphasis on public health, special action against breast cancer, the end of two-tier waiting lists, and a White Paper next week with a new regime to lever up standards and efficiency.

We have modernised politics. A Scottish Parliament, a Welsh Assembly and elected mayors are already on the way. And we have brought purpose and vision to our relations with Europe. The Jobs Summit was the latest occasion where we demonstrated the benefits of working with our partners not against them.

Nor can it be said that we have not been prepared to take on powerful people who disagree with us. Try telling that to the bosses of the privatised utilities whose companies have funded the £5.3bn windfall levy to pay for our jobs programme. Or the lawyers, whose abuse of the Legal Aid system will be stopped by our radical no win, no fee proposals.

Thus radicalism and prudence not only can coexist, but they must. The left has tormented itself for far too long on the sort of arguments put forward yesterday on these pages. It is time that we recognise the choice is one that suits the Tories and no one else. The challenge for this Government is to prove for ever that the choice does not exist, so that it can never be posited again. Now that would be radical.

Hamish McRae's column appears today on page 16 with the pre-Budget commentary.

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## Tokyo stocks dip again as yen sinks to five-year low

Amid a continuing atmosphere of anxiety in East Asia yesterday, the Tokyo stock exchange fell sharply, the yen sank to its weakest level in five years, and yet another big Japanese financial institution saw its credit rating downgraded to junk bond status. Richard Lloyd Parry reports on the deepening Far East financial crisis from Seoul.

The Nikkei average of 225 shares sank by 854 points to close at 15,867.53, a drop of more than 5 per cent, the day after Yamaichi Securities, Japan's fourth-largest brokerage, was forced to close in post-war Japan's biggest corporate collapse. In an alarming development, Yasuda Trust, the country's fourth-biggest trust bank, saw its debt downgraded by a leading credit agency to junk bond status, a decision which dealt the final blow to Yamaichi last week.

Banking analysts in Tokyo, however, do not expect Yasuda to suffer the same fate, although it will face intense difficulties in the short term. Yasuda is the fourth-largest of Japan's seven trust banks, and like many of its competitors it has been hard hit by the collapse in land prices which have rendered many of its borrowers unable to repay their loans. Yesterday it announced a pre-tax loss of 75.5 billion yen (£356m) in the six months to September, compared to a ¥4bn profit the year before.

The credit rating agency Standard and Poor's (S&P) lowered its long-term ratings for Yasuda from BB-plus to BB-minus with negative outlook, below investment grade. In the medium term, S&P said: "It will be difficult for Yasuda to overcome challenges such as its seriously impaired asset quality, rising stock market volatility, growing wariness among investors and a slumping domestic economy."

If, as expected, Moody's announces a similar downgrade tomorrow, Yasuda will find it almost impossible to borrow money on the international markets as long as the ratings last.

By the time Moody's announced an even more drastic downgrade of Yamaichi last Friday, the brokerage's lines of credit had dried up and it was forced to close itself down. The collapse of a bank such as Yasuda Trust would have a far more serious effect on international sentiment but, for several reasons, this is unlikely to happen.

For a start, it is a core member of the

Fuyo Group, one of Japan's *keiretsu* - huge corporate groupings of banks, insurance companies, trading houses and manufacturers, linked by cross-shareholdings and close personal relationships between executives. Within hours of the S&P announcement yesterday, Yasuda Trust made an allocation of ¥50bn of new shares to Fuyo Group members, including Fuyo Bank, which is expected to tide it over in the short term.

No bank in a large *keiretsu* has ever been allowed to go bust and both corporate allies and the Japanese authorities are likely to view such a failure as a step too far, certainly in the current atmosphere. Unlike Yamaichi, which was tainted by scandals involving corporate racketeers and the illegal concealment of losses, Yasuda enjoys a sound reputation. "It has interesting businesses left," said Walter Altherr, banking analyst at Jardine Fleming in Tokyo. "Unlike Yamaichi it's not rotten to the core."

There were scuffles at Yamaichi branches yesterday as customers queued in the rain to close their accounts and collect their securities, and the Bank of Japan provided 800 billion yen in unsecured interest-free loans to ensure liquidity, according to Japanese press reports. The finance minister, Hiroshi Mizusaka, repeated his assurances that the government would take "all necessary measures to ensure stability in the financial system", but shares were still sold heavily and seven out of the 10 biggest losers were banks. But the government's efforts to reassure the markets that they will not allow chaos to descend were reckoned by some analysts to have limited the damage. "It could have been worse," said Brian Waterhouse of James Capel in Tokyo. "The sense I get now is that politicians and bureaucrats are now moving in the same direction, and that the worst is already over."

The yen closed at 128 to the dollar, its weakest for five years, exacerbating concerns that cheaper Japanese exports would increase Japan's trade surplus with its overseas partners. But in Vancouver, where leaders of the Asia-Pacific Economic Cooperation forum were meeting, President Bill Clinton told Ryutaro Hashimoto, the Japanese Prime Minister, that this would pose a "political problem".

Mr Hashimoto was at pains to discourage comparisons between Japan's troubles and devaluation in Thailand, Indonesia and Korea. "Japan's problems are completely separate from those of the so-called Asian currency crisis," he said.

## South Koreans refuse to bow to IMF demands as financial crisis deepens

When South Korea bowed to the inevitable last week, and appealed to the International Monetary Fund for help, it appeared that the end of its financial crisis was in sight. But, despite a financial situation that gets worse daily, both the government and ordinary Koreans are digging in their heels and struggling to avoid the painful cure which the IMF is certain to prescribe. Richard Lloyd Parry in Seoul and Mary Dejevsky in Vancouver report.

As the Seoul stock exchange continued to sink yesterday, Korean officials were in negotiations with IMF officials but still seemingly in denial about the gravity of the country's situation and the depth of the economic problems.

"Korea's situation is different from those of Thailand and Indonesia, with major economic fundamentals still sound and the ongoing foreign exchange crisis stemming from temporary liquidity shortage," said Kim Woo Suk, director of the international finance department of the Ministry of Finance and Economy.

Korea's plight, though, is much worse than that of the South-east Asian countries, both for its own people and in its implications for the world economy. Its economy, the 11th biggest in the world, is bigger than those of Thailand and Indonesia combined.

The sums required to restore order are huge, and the deep pride of Korean people, together with the militancy of its labour force, and the vacuum in its politics, make the job of ramming the IMF's reforms home many times more difficult.

Korea had requested \$20bn (£12bn) from the IMF, a sum which is unanimously reckoned by independent analysts to be insufficient. Seoul spent billions of dollars in an unsuccessful attempt to support its currency, the won. And although the government refuses to disclose the amount left

in its reserves, the \$20bn could be needed to top them up alone. Then there is the problem of Korea's banks, which are at their knees after decades of reckless spending, much of it guided by a government obsessed with output at the expense of profitability. According to Richard Samuelson, head of research at SBC Warburg in Seoul, bad loans in the banking system could amount to \$25bn, suggesting that the IMF, supported chiefly by the US and Japan, will have to come up with at least \$50bn to clear up the country's mess.

In return it will certainly demand stringent austerity measures, as well as more transparency in the publication of government statistics, flexibility in the labour markets, an opening of consumer markets to foreign competition, the privatisation and restructuring of state-owned firms and drastic restructuring of prime industries such as cars. In the short term the results will be reduced growth, corporate bankruptcies and increased unemployment.

But after years of high growth, and a fierce national pride in the country's achievements, Koreans are reluctant to bite the bullet.

Meanwhile, a three-tier action plan to help the ailing economies of Asia and push them towards reform was due to be endorsed yesterday by leaders of the 18 Pacific Rim countries belonging to the Apec grouping.

The Manila framework, so called because it was drafted at last week's preparatory meeting in the Philippines, sets out a three-stage programme for any international economic rescue.

It requires the country concerned to pursue sound economic management practices; the International Monetary Fund to be involved as the main overseeing authority and provider of financial help; and standby financing to be provided by Apec members to supplement what is provided by the IMF.

The third element of the plan, for Apec members to provide supplementary financing for fellow members in distress "in appropriate cases", was controversial in adding a regional element to any IMF rescue.



## Spice Girls fail to stop EMI slump

There is life in the Spice Girls yet and their new album, *Spiceworld*, is selling better at this stage than the first album, *Spice*, the group's record company claimed yesterday. EMI said it had shipped 7 million copies of the album to retailers. However, shops have said the record is selling poorly.

The comments came as EMI reported a sharp fall in first-half profits from £46m to £75m, hit by currency factors, a slowdown in the world-wide music market and the economic turbulence in the Far East. Spice added 8 million units to the 9.5 million sold last year. Other strong sellers have included albums from Radiohead and the Rolling Stones. New releases in the second half will include records from Janet Jackson and Garth Brooks.

Investment column, page 25

## Thorn review expected to lead to break-up

Thorn has launched a strategic review that is likely to lead to a break-up of the troubled rental group. Andrew Yates finds that a succession of disasters has forced Thorn's management to consider desperate measures.

Thorn, which runs the Radio Rentals chain, signalled a huge shake-up of the group yesterday as it embarked on a review designed to reverse its flagging share price. A series of large disposals and a payout to shareholders could be on the cards.

Mike Metcalf, Thorn's chief executive, said: "We will have to review all the options. In the current circumstances we will look at disposals. If Thorn can make sub-

stantial disposals then it would be appropriate to return value to shareholders."

Analysts believe that Thorn will be forced to sell off or demerge the US rental business, which has been battered by intense competition and has lost market share. Thorn is also likely to have to restructure its UK operations and sell off some of its underperforming European businesses.

Mr Metcalf said: "There is a significant gap between our market value and the underlying value of the business. We have to close that gap."

While the review was welcomed by analysts, some were sceptical that Thorn could create much more value for shareholders. One analyst said: "Radio Rentals will continue to decline and its US businesses have been hit hard. It should be able to stem the

fall in profits but it will struggle to produce strong growth which will be reflected in the values it can get for its businesses."

Thorn was controversially demerged from EMI, the music giant, in August 1996. Since then its shares have fallen from more than 400p to just 153.5p, despite recovering 3p on yesterday's announcement.

Thorn's move came on the back of disappointing results for the six months to September. The group reported a 28 per cent fall in pre-tax profits to £57.1m.

The Radio Rentals business has been hit by the introduction of insurance premium tax which has led to an average 6 per cent rise in the cost of rentals.

Building society windfalls have also led to a rise in TV and video sales rather than rentals. Thorn admitted yesterday that revenues from Radio Rentals would contin-

ue to decline by around 6 to 7 per cent a year, despite the rise in the number of white goods, such as washing machines, that are rented.

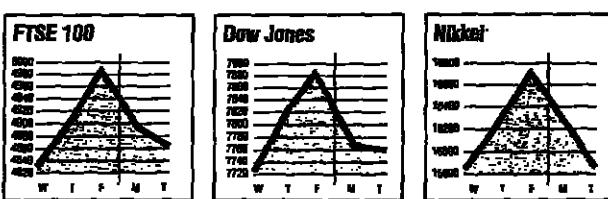
Thorn hopes to counteract the fall by the rapid expansion of its Crazy George's electrical goods and furniture rental chain.

Thorn's shares have also been dogged by litigation fears in the US over the terms of its rental contracts. Despite already having a £75m ruling against the group, Mr Metcalf sought to play down the impact of the litigation. "These rulings only affect 60 of our 1,400 stores in the US and if we had to close those shops it would not torpedo our US operations."

Thorn said it planned to complete its review by next May, although it hoped to report some progress as soon as possible.

Investment column, page 25

## STOCK MARKETS



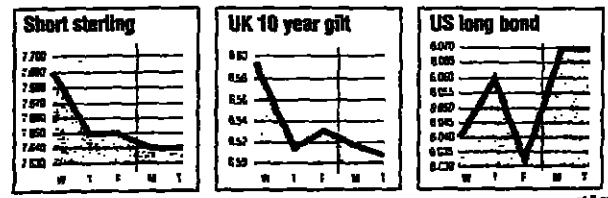
FTSE 100

Dow Jones

Nikkei

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	4883.50	-35.10	-0.72	5367.30	3882.70	3.62
FTSE 250	4631.30	-14.40	-0.31	4983.80	4321.80	3.50
FTSE 350	2248.50	-15.10	-0.64	2570.50	1935.70	3.80
FTSE All Share	2236.88	-14.11	-0.61	2507.88	1942.22	3.58
FTSE SmallCap	2280.9	-5.20	-0.23	2407.40	2127.50	3.31
FTSE Pacific	1237.9	-6.50	-0.52	1345.50	1198.70	3.41
FTSE AIM	972.3	-3.40	-0.35	1138.00	865.90	1.06
Dow Jones	7780.71	-7.21	-0.09	8289.03	6236.05	1.75
Nikkei	15867.53	-854.05	-5.11	21480.57	14966.13	0.97
Hong Kong	16325.58	-260.80	-1.60	16820.31	8775.88	4.10
Shanghai	3949.22	-18.50	-0.46	4469.59	2760.76	2.07

## INTEREST RATES

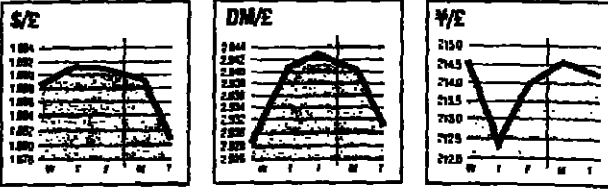


Money Market Rates	3 month	6 month	1 year	2 year	5 year	10 year	15 year	30 year
UK	7.50	7.25	7.00	6.75	6.50	6.25	6.00	5.75
US	5.50	5.25	5.00	4.75	4.50	4.25	4.00	3.75
Japan	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25
Germany	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00

## MAIN PRICE CHANGES

Rises	Falls
Colt Telecom 630.50 27.50 4.56	Lonres Gap 121.00 -10.00 -7.63
World Group 1450.00 60.00 4.28	Albright and W 182.00 -9.50 -5.35
Commercial Un 797.00 23.00 2.97	Sun, Lin and P 383.5 -18.5 -4.80
Mega 1635.00 45.00 2.83	Biffen 159.5 -7.5 -4.49

## CURRENCIES



£/\$	£/¥	£/€
1.6807 -1.00c 1.6711	167.11 -0.05 167.11	1.4584 -0.005 1.4584
D-Mark 2.9310 -0.41c 2.5497	D-Mark 1.7435 +0.54c 1.5222	1.5222
Yen 214.33 +0.29 188.08	Yen 127.53 +0.59 112.59	112.59
£ Index 103.90 -0.40 92.80	£ Index 106.70 +0.40 96.70	96.70

## OTHER INDICATORS

£/\$	£/¥	£/€
Brent Oil (\$)	19.00 -0.06 22.49	GDP 113.90 3.80 109.7
Gold (\$)	301.85 -2.00 375.02	RPI 159.50 3.7 153.81
Silver (\$)	5.33 0.08 4.84	Base Rates 7.25 8.00

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source: Bloomberg

## Care First rapped by Takeover Panel for exaggerated claims

Care First, the nursing home operator fighting a £241m cash bid from Bupa, looks close to appointing a chief executive to replace Chai Patel. However the troubled company, criticised by shareholders for its share price performance, is understood to have been privately reprimanded by the Takeover Panel for exaggerating its prospects. Sameena Ahmad reports.

According to industry sources, the company is considering appointing a relative unknown, Gerard Wainwright, as chief executive if the group remains independent. Mr Wainwright was formerly managing director of Nesbitt Evans, the bath lifters to mobility equipment

medical products company which was bought by Huntleigh Technology in the early 1990s.

Mr Wainwright, who left the company a couple of years after the merger, is advising Care First's board on its defence against Bupa, the healthcare insurance giant.

Care First had also considered Chet Bradeen, managing director at the Exceler nursing home group, for the position of chief executive, but is no longer proceeding.

Sources close to Care First have also revealed that Keith Bradshaw, its founder and chairman, and the company's board have been given a private warning by the Takeover Panel for talking up the company's prospects as part of its bid defence.

The Takeover Panel, which yesterday said it would not comment on any private communication with parties in a bid situation, had apparently objected to the board's use of the word "dramatic" in forecasting a change in for-

tune in the company's prospects.

Bupa, which is offering 150p cash per share, 8p lower than Care First's closing share price yesterday, is still seeking a recommendation from Care First's board.

It is understood that the healthcare insurer would be prepared to raise its offer slightly in return for a recommendation. Mr Patel, who walked out in August after a clash with Mr Bradshaw, appears close to arranging a cash and shares financing to trump Bupa's bid.

Mr Patel's counter bid, and any further bids, including the mooted interest from Warburg Pincus, must be on the table before 3 and 12 December, when two key shareholders, Abbey Life Assurance and Invesco Asset Management, have committed to sell their shares to Bupa.

Mr Patel's bid, likely to be mainly cash with a stub equity element, is being backed by BC Partners, the venture capital group bought out of Baring Capital and advised by HSBC.

## Redland plans board shake-up to repel Lafarge's £1.7bn hostile bid

Most of Redland's board is about to depart as the company desperately attempts to stave off a £1.7bn hostile bid from its French rival Lafarge.

The group has already confirmed that Robert Napier, the group's chief executive who has presided over its dire share price performance in recent years, will step down with a pay-off of £700,000.

However yesterday it emerged that he is likely to be joined by several other high-profile casualties, including Paul Hewitt, the group's finance director. Analysts said the clear-out could be put down to Redland's management paying the penalty for the group's poor performance.

The current 13-strong board is likely to be reduced to just two or three members. Rudolph Agnew, Redland's chairman and a veteran of many a takeover battle, will head up the new board and preside over the group's break-up.

The troubled British building group is expected to announce tomorrow the sale of a 56.5 per cent

stake in RBB, its European roof tiles subsidiary, to German family shareholders for £800m in its final defence document.

It will then become a UK and US aggregates business and a roof tiles business in Asia. Mr Agnew's task will be to convince shareholders that he can realise more value for shareholders than the 320p-a-share cash offer Lafarge has put on the table.

He is in talks with rivals about selling some of the aggregates businesses to return more cash to shareholders. The outcome of these talks is likely to be vital for the group's defence. Redland is facing increasing pressure from institutional shareholders to tie up a quick sale of some or all of these businesses.

One large Redland shareholder said yesterday: "Selling RBB is not enough. Redland will have to secure the sale of aggregates businesses to fight off the Lafarge bid."

"If it doesn't, the cash offer begins to look attractive."

Andrew Yates

## Profits fall at Severn Trent

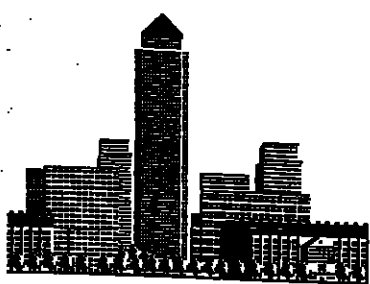
Severn Trent, the country's biggest water company, yesterday revealed the cost of its conservation drive as it reported a 3 per cent fall in profits for the first half.

The increasing number of meters being fitted in domestic premises and more efficient water consumption by industrial customers meant an £8.5m reduction in income.

The fall in revenue was only partially offset by £7m in cost reductions and group profits for the six months ended 30 September fell from £197m to £191.3m.

Profits from non-regulated businesses, principally the waste management business, Biffa, grew by 10.6 per cent. But the Severn Trent management, led by Vic Cocker, chief executive, conceded it would be a tough task to offset the decline in core revenues by growing unregulated businesses.





## OUTLOOK ON THE IMF PACKAGE, THE NATIONAL GRID PLAN AND THE LIBERTY BUNFIGHT

# Korea will accept IMF's conditions – probably

The pendulum of international attention swept away from Japan yesterday and back to South Korea, where the government seems to be limbering up for outright rejection of the terms of the International Monetary Fund's \$20bn bail-out package. If this occurs, it will profoundly deepen this already serious crisis. The Koreans would be saying no to the necessary package of austerity measures and structural reforms that go with the IMF's aid.

The consequences of rejection, for Korea, the region and the world, would be so disastrous that it is hard to think of the present manoeuvrings as anything other than political posturing, for which there is an obvious need with an election coming up. Denis Healey tried the same thing during our own humiliating negotiations with the IMF in the mid 1970s: in the end the British government caved in.

Whether God's chosen people are prepared to do the same is anyone's guess. It may be that, looking over the precipice, they are indeed prepared to jump. The Korean economic miracle is almost certainly over in any case, but refusal of all aid would sink the South Korean economy into a potentially disastrous recession.

Despite the obvious parallels, the South Korean economy is very different from that of Japan. Japan is in a dangerous, downward deflationary spiral, true enough, but it is not bust. It is a big mature economy, with a burgeoning trade deficit, untold riches in terms of reserves and overseas investments, and a very large number of powerful, world-class, international companies. The problem lies

in its overprotected and regulated service, property and financial sectors.

Korea's economic miracle, by contrast, has been largely built on debt and is highly dependent on a tight relationship between government and the big conglomerates that dominate its industries. Furthermore, it has an even deeper distrust of anything that smacks of foreign capital and competition than Japan. In other words, South Korea is desperately in need of IMF reform but because of the protected, corrupt and cronyish nature of its economic establishment, it will fight like an alley cat to resist change.

Unfortunately for Korea, the alternative is too ghastly to contemplate – a series of spectacular bankruptcies, not just in the financial sector, but because of the highly geared nature of her companies, spreading into the industrial heartland. The knock-on effects in the Asia Pacific region and the world economy would be equally disturbing. At this stage, the balance of probability must still be that Korea will eventually accept the IMF's terms, for it needs a lot more than the \$20bn so far offered. But don't bet on it.

## Put this plan back in its Box

Let an accountant out of his Box and half-baked capital reconstructions of the type unveiled yesterday by the National Grid are the inevitable result. Stephen Box has been finance director at the Grid for four

short months, his predecessor having been asked to leave after a fit of conscience (he embarrassed the rest of the board by giving his share option profits to charity). But already he is making his mark. Mr Box, whose previous job was senior partner at the Grid's auditors, Coopers & Lybrand, has conjured up a bizarre scheme to give money to shareholders with one hand and then take it back with the other.

The scheme works like this. The Grid hands out £770m to shareholders by way of a special dividend. So far, so uncontroversial. Like lots of other stodgy old utilities, the management has run out of ideas and reckons shareholders can find better uses for the money themselves. Since the dividend payment is accompanied by a share consolidation, the exempt funds miss out on their tax credit, but you can't have everything. Now comes the tricky bit. Shareholders are then asked to reinvest £300m to £500m of the proceeds in a convertible bond issue just in case an electrifying overseas opportunity comes along.

The idea is to provide "financial flexibility" but since the Grid doubts whether any major acquisitions are in prospect for the next two years this seems a largely redundant flexing of muscle. Even if an opportunity were to present itself, the odds are not good. The Grid got burnt in Pakistan and missed out in Australia, which only leaves it with a slice of the action in Argentina while the regulator takes a hatchet to its margins back home.

Shareholders will have to wait until January before they see the terms of the bond issue. In the meantime they might won-

der why the company is presenting the market with an opportunity to deal against it until the issue is safely away.

The only shareholder to benefit very obviously is HSBC Investment Banking, which holds 11 per cent of the Grid and is pocketing £10m for helping Mr Box devise this little wheeze. The last time HSBC's relationship with the Grid came under the spotlight was when its broking arm, James Capel, acquired the Grid stake on behalf of the Olyan group in Saudi Arabia. The point of that little deal was never satisfactorily explained. Unless shareholders get some good answers from the Grid as to why they should support this latest humdinger, the Box plan should be put firmly back where it belongs.

## Cassidy should not give up the battle

The confirmation that Prudential is to back the Liberty board in its battle with the company's founding family puts an interesting new spin on this corporate bunfight. Until now the position of the retailer's chairman, Denis Cassidy, has looked pretty hopeless. The unholy alliance of the Stewart-Liberty family and rebel investor Bryan Myerson, which is trying to oust him, already accounts for 44 per cent of the votes. And they have signed up another 3 per cent from two more sources. Barring a late split in the marriage of this "odd couple" they will succeed in ousting him at an emergency meeting next month and appoint Mr Myerson

and the family's financial representative to the board until a new chairman can be found. They will then water down Mr Cassidy's plans to spend £43m on the Regent Street store and, er, that's it.

But the Pru's intervention may provide a wake-up call to other investors and make the family think again. The Pru, which holds 4.45 per cent of the 120-year-old business, has decided that if the family wins this bitchy battle, Liberty's future will not look too pretty. The board and its advisers will resign and the group's bankers will review its loan facilities. How clever is that?

Liberty's performance has been none too special under Mr Cassidy but it seems this battle is more about personalities. The Stewart-Liberty family has fallen out with the chairman. They didn't like the way he ousted two of their family from management positions and the powerful Elizabeth Stewart-Liberty was unimpressed with Mr Cassidy's decision not to close the Regent Street store for the whole day of Princess Diana's funeral. But this is no reason to throw the company to the wolves.

Mr Cassidy is right to say that it is for the board, not the shareholders, to appoint the chairman. And his point that the family is attempting to gain control of the business without paying a premium is valid too. But with powerful minority factions like this, it will count for nothing.

Mr Cassidy is right to create a stink as there are important corporate governance lessons here. And he may win the day. Families have changed their minds at the 11th hour before – witness the Clark's Shoes battle. It could happen again here.

# Shareholders puzzled by National Grid's 'take it then give it back' plan

National Grid yesterday announced plans to hand back £770m to its shareholders in the form of a complex special dividend package after the company admitted it could see no short-term investment opportunities overseas. Chris Godsmark, Business Correspondent reports.

The Grid became the latest privatised utility to announce a complex restructuring of its share base in what it claimed

was a more tax-efficient way of handing back cash to investors. If shareholders vote in favour of the scheme, they will receive a 44.7p-a-share special dividend early in the new year, equivalent to 15 per cent of its market value.

At the same time, the Grid will reduce the number of shares in circulation by a similar figure. The scheme follows complex share consolidation operations carried out by Southern Electric, Yorkshire Water and, most recently, BG, the former British Gas.

But some big investors were surprised by a further twist to the scheme, where the Grid will

invite shareholders to reinvest some of their windfall in a convertible bond issue worth between £300m and £500m. The company said the funds would give it the flexibility to invest in big overseas transmission projects in the future.

One institutional shareholder said he was puzzled by the bond issue. "This all seems a bit unusual. They are under pressure to hand back money to shareholders but they think they might need it in the future. You either need the money or you don't."

David Jones, the Grid's chief executive, defended the role of HSBC Investment

Banking, which devised the scheme. Another HSBC arm, James Capel, is the biggest holder of Grid shares with an 11 per cent stake. The shares are owned by James Capel on behalf of Olyan, the Saudi investment group which has made substantial profit on its stake. Mr Jones said there was no connection between the two parts of HSBC.

The special dividend is the first move at the Grid by Stephen Box, the finance director who joined in August from Coopers & Lybrand, the Grid's auditors. Mr Box said: "It gives us the flexibility when an acquisition comes along."

## Exchange tells brokers to use limit orders to avoid pricing snags

The London Stock Exchange yesterday advised stockbrokers to introduce controls – so-called "limit orders" – to protect clients against "unusual price movements" caused by SETS, its new electronic trading system.

In a letter sent to all its member firms, the Exchange warned that it was important for brokers and clients to understand the pricing problems, which tend to occur at the beginning and the end of the trading day.

Martin Wheatley, head of market development at the Exchange, said dealers should

move to protect clients by using limit orders, which set parameters outside which a stock cannot be traded.

The Exchange acknowledged yesterday that a key problem with SETS is that at certain times of the day the spread – or the difference between a stock's buy and sell price – is extremely wide. There has been concern in recent weeks that investors trading at these times could lose out. Investors using "execution-only" stockbrokers, which are prohibited from giving advice, and those buying or selling "at best", the best price

available, are particularly at risk. These investors could be unwittingly trading when spreads are wide, and receiving unfavourable prices.

SETS' pricing difficulties are caused by illiquidity, or a relatively low amount of stock market activity, at certain points of the day. The problems tend to be most marked in the first 45 minutes and the last 15 minutes of the trading day, according to figures released by the Stock Exchange yesterday.

Aside from "educating" member firms, the Exchange is not yet taking concrete steps

to solve the pricing problems. Mr Wheatley yesterday ruled out any structural changes at least until the New Year. He said: "It is too early to start thinking about major steps".

Changes that have been suggested include moving the trading day back one hour, a move that Mr Wheatley said he had not completely ruled out, forcing major institutions, many of which do not start trading until 10am, to trade earlier in the day, and calculating closing prices before the Exchange's official closing time of 4.30pm.

— Lea Paterson

## THE INVESTMENT COLUMN EDITED BY SAMEENA AHMAD

### No value in the EMI demerger

Demergers may be the management fad of the moment when it comes to juggling up shareholder value. But try telling that to beleaguered investors of Thorn and EMI. Shares in both have plummeted since the music and retail business did the splits in August 1996 with shares in Thorn losing two-thirds of their value and EMI falling by a third.

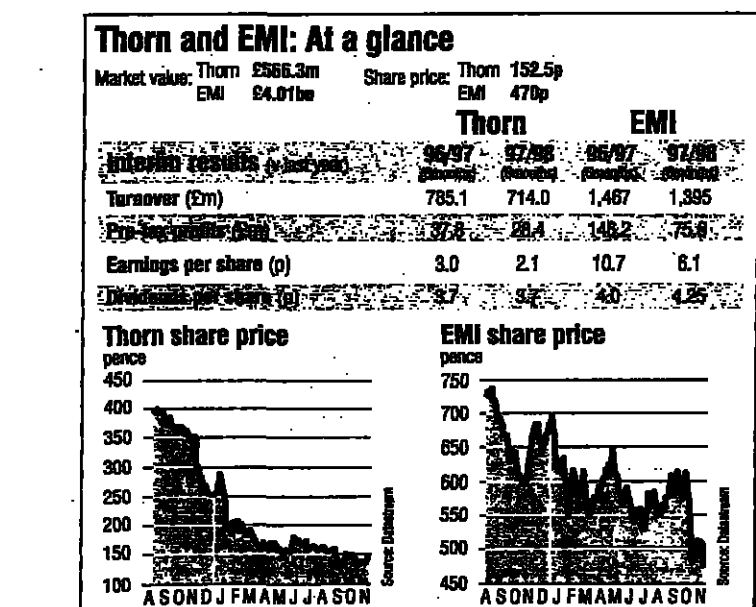
Management claim both businesses have been hit by unforeseen circumstances since they were separated. They have a point. Shares in the combined group were ramped up to ludicrous levels ahead of the demerger on the back of speculation that EMI would be snapped up by a larger rival such as Seagram or Disney. That has since evaporated while EMI's performance has been hit by strong currency and a slowing down in the growth of the worldwide music business.

At Thorn the business has been savaged by the rapid decline in the UK rentals market, increased US competition and litigation over credit practices. At EMI currency factors knocked £14m off operating profits while global music sales are now growing at just 1-2 per cent a year – compared to double digit rises a few years ago. Economic turbulence in the Far East is a key worry. The region accounts for 20 per cent of group sales.

A bid is still possible though with a people business it would need to be agreed. On downgraded full year forecasts of £343m the shares are 18 times forward earnings. They are a hold. At Thorn, the long-overdue re-vamp of the business may finally deliver value to shareholders. The shares have now fallen so far that the downside is starting to look limited.

### Key trials on track for British Biotech

When British Biotech, the biggest hope in the UK's faltering biotech sector, announces results, investors want to hear only one thing: progress on marimastat, its cancer drug. In such a crestfallen sector the desire for a quantum leap forward in news



is understandable. Yesterday's interims from British Bio could offer no fireworks, with losses £4m deeper at £20m, but did show that marimastat trials, the largest pre-registration cancer trials ever conducted, are on track and gaining serious weight.

In a massive study, marimastat is being tested on six different tumour types, in combination with cytotoxics and eventually on early stage cancers. Familiarising doctors with marimastat ahead of its registration and demonstrating its potential in as many cancers as possible could make this a billion-dollar seller. Doctors frequently prescribe trusted cancer drugs more broadly than their indicated use.

As well as building up a sales force in Europe and eventually in the US, British Bio plans to buy in "accessories" such as like anti-nausea and anti-pain drugs to provide oncologists with a full cancer kit. With marimastat at least 18 months away from filing, such massive up-front investment raises the stakes.

True, British Bio has plenty of cash and a lead drug. Zalcitabine for pancreatitis, which could be filed in Europe in early 1998, but if marimastat fails British Bio will struggle to recover. But serious drugs require serious backing. Glaxo's Zantac became a blockbuster not because it was a great ulcer remedy, but because every doctor knew about it. British Biotech's shares down 2.5p to 103p, near their year low, are a buy for those who understand the risks.

### Jarvis hit by hotel sector woes

Last year the hotel sector flourished. Helped by a buoyant economy, occupancy and room rates were rising rapidly. Jarvis Hotels was one of a crop of companies that checked into the stock market on the wave of optimism.

However investors have had an uncomfortable stay. Growth is slowing as the wider economy comes off the boil. The strong pound is putting off foreign tourists and competition among hoteliers is fierce.

But the sector is not heading for another crash. Demand is still buoyant. Occupancy rates are nearing their peak, but there is still room for price inflation. And the sector now looks ripe for consolidation, with the larger groups able to pick up struggling rivals. With a war chest of £90m, Jarvis is well placed to benefit.

Jarvis shares have been hit by the sector's woes since floating at 175p. It recovered some lost ground yesterday, rising 8.5p to 157.5p, after announcing a robust 28 per cent rise in operating profits to £21m for the six months to October. Its mainly provincial hotels should continue to do well, helped by a growing demand for conference facilities. Analysts forecast current year profits of £29.9m, putting the shares on under 10 times forward earnings. Good value.

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## Investors underwhelmed by Chancellor's 'grey' budget

### MARKET REPORT



CATHY NEWMAN

The Chancellor's statement yesterday may have been dubbed the "green budget" but, as far as the market was concerned, it proved distinctly lacking in colour.

Footsie eased 43.8 points to 4,854.8 10 minutes after the Chancellor finished speaking. But at the end of the day, the market seemed underwhelmed by the contents of Gordon Brown's first green budget and closed just 35.1 points down at 4,863.5. Fewer than 650 million shares were traded.

As one equity strategist put it: "The market's getting straight back to worrying about serious issues like how bad the situation is in Asia."

The move to scrap Advance Corporation Tax in April 1999 had, in true New Labour style, been well-flagged. The 1 per cent cut in corporation tax was, however, welcomed in

principle, although it failed to make much impact on share prices last night.

Some strategists said the markets may slide in the coming weeks in response to forecasts that economic growth would slow in 1999. The Chancellor said GDP would grow between 1.5 and 2 per cent in 1999, compared to growth of 2.25 to 2.75 per cent next year. Market-makers reflected the Chancellor's proposals to cut VAT on insulation materials by marking up Meyer International by 5.5p to 377p. Mr Brown said VAT on the installation of energy-saving materials would be cut from 17.5 per cent to 5 per cent. The builders' merchant was also helped along the way when several directors bought around 14,500 shares.

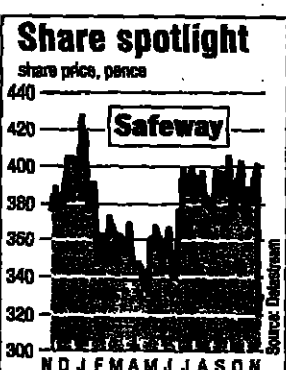
Some of the Hong-Kong-influenced stocks rebounded

from their lows of the day before, perhaps in relief that the events at Yamaichi had not prompted the global sell-off many had feared. HSBC, one of the worst blue-chip performers on Monday, added 2p to £14.87.

Other factors also gave the rest of the financial sector a boost. Halifax moved up 3p on speculation that it might revive merger talks with M&G Group. M&G ended up 60p at £14.60. NatWest Bank, meanwhile, moved ahead on reports it would split its equities business between two buyers, Bankers Trust and Deutsche Morgan Grenfell.

Safeway continued to recover from last week's profit warning, adding another 4.5p to close at 330p. The company, which was said to have been "shocked and surprised" to witness a 20 per cent fall in the

company's market value after the profit warning, has embarked on briefings to reassure institutional investors. Some buyers may have emerged as a result of the confidence-building exercise, but bid speculation continued to revive the shares. Even though some analysts were adamant there was no bidder in the market, 7 million shares changed hands.



Safeway's rival retailer, Sainsbury, was not so flush. The group shed 6p to end at 483p after two explosive devices were found near stores in South-East London.

National Grid was sending sparks across the market after pledging to return £770m to shareholders. The group jumped 4p to 302p, despite a 23 per cent fall in pre-tax profits to £226.3m. That was as a result of price controls put in place by the regulator. A blizzard of positive brokers' notes also helped the stock.

Market-makers were not so sympathetic towards EMI, which provided neither sugar nor spice when it unveiled a 33 per cent drop in pre-tax profits to £75m. The Spice Girls' record company has been badly affected by sterling and the shares were among the biggest Footsie fallers, down

20p at 470p. Thorn, which split from EMI last summer, fared better, adding 2.5p to 152.5p after the company launched a strategic review which may see it breaking itself up.

The insurance sector saw a fair bit of action. Commercial Union erased its losses of the day before to head the league of Footsie climbers, up 23p to 797p. General Accident added

12p to 987p in sympathy. Laporte added 0.5p to close at 631.5p after a "strong buy" recommendation from ABN Amro Hoare Govett.

The broker believes that, in the light of takeover interest in Allied Colloids, Laporte is trading on a 34 per cent discount to international specialty chemicals companies.

Readit said it was in talks over the possible sale of its carpet division. The textiles company ended up 3.75p to 43.5p.

### TAKING STOCK

Two new issues on Ofex got off to a flying debut. Key 2, a CD-Rom publisher, finished the day at 55.5p, up 35.5p on its opening price. The company publishes multimedia training CD-Roms for Mac and PC platforms. Zarara Oil & Gas, meanwhile, an independent oil and gas exploration company based in Jersey, ended the day up 4.5p at 24.5p.

Accorn Group, the computer company, is beginning to climb at last on the strength of its stake in Arm, a microchip company. Accorn added 5p to 143.5p after optimism about a US flotation of Arm, in which it has a 43 per cent shareholding. A successful float would do Accorn wonders, as its share price has recently been hovering around a two-year low.

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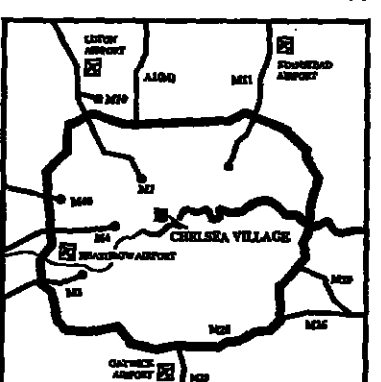
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## Cattle-herder Ntini wins his place in history

A little over four years ago Makhaya Ntini was made to promise not to wear his new cricket boots when he went out to round up the cattle. Yesterday he became the first black African to play for South Africa.

Peter Robinson reports from Johannesburg on the rise of the 20-year-old fast bowler whose elevation carries a message beyond sport.

It was in July 1993 that Raymond Bool, a development officer for the Border Cricket Board in South Africa's eastern Cape, came upon a barefoot 15-year-old in Mdingi, a rural hamlet with a population of 500. Ntini was a little too old and too big for the mini-cricket programme Bool was establishing, but the teenager was enthusiastic and, what is more, looked like he knew something about bowling.

Intrigued, Bool lent the youngster a pair of takkies (plimsolls) and arranged for him to travel to King William's Town, some 10 miles away, for a net. Even more impressed, Bool contacted Greg Hayes, the man in charge of Border's development programme, and they decided to try him out in a junior cricket festival in Queenstown.

Hayes bought Ntini his first pair of boots and socks and let him loose. He was wild, he was wayward, but when he got it straight, he had something. "At lunch on that first day in Queenstown," says Hayes, "Makkie came clattering into the dining hall for lunch. He still had his boots on. I had to tell him to take them off. And at the end of the week, when we sent him home, I made him promise not to wear them for herding cattle. They were only to be worn, I said, when he was playing cricket."

Two years later he was chosen for the South African Under-19 side who toured England, and in November 1996 he played for Border against



Makhaya Ntini, the first black African to play for South Africa, makes his mark in Perth yesterday. Photograph: AFP

Mike Atherton's England, claiming the wickets of Alex Stewart and Darren Gough.

Ntini was selected to tour Australia after the United Cricket Board decided to add a "previously disadvantaged player" to the 15-man party. Roger Telemachus of Boland was chosen, but he failed a fitness test and 24 hours before the side flew out, Ntini was called up.

Telemachus is of mixed blood and hails from the western Cape and a cricket culture

which produced, among others, Basil D'Oliveira and Omar Henry, and the two other youngsters, who are also currently in Australia, Herschelle Gibbs and Paul Adams.

Ntini is Xhosa and as a full-blooded African, he is the first genuine product of the UCB's development programme. However, although Ntini has the talent, it has to be said that the UCB makes no secret of its desire to field a side representative of South Africa's racial groups.

When he played against England two years ago, Ntini was medium-fast. Four months in the gym during the South African winter has added 6lb to his chest and shoulders. His action is more chest-on in the West Indies fashion and the overall result is a bowler two or three yards quicker and more controlled.

The Australians were given a taste yesterday when Ntini made his historic appearance in South Africa's opening tour game - a 31-run win over the

Australian Cricket Board Chairman's XI in Perth. A 10,138 crowd at L'Ac HJ saw Ntini hit the deck hard and sustain good pace to take 0-24 from seven overs. After Justin Langer, Middlesex's opening batsman next season, had booked him for six, Ntini banged one into the left-hander's ribs.

Bob Woolmer, the South African coach, has said that Ntini will be considered for the one-day internationals, "but if he wants to play in the Test team, he'll have to fight his way in like everyone else. No one walks into the Test side."

His chances will come, for the South Africans are looking five years down the line when Allan Donald finishes his playing career.

Donald, who supplied the pace for Warwickshire last season, has promised to take Ntini under his wing. Donald is an Afrikaner as is the South African captain, Hansie Cronje. Two Afrikaners and a Xhosa? Perhaps South African cricket is doing something right.

## Atherton relishes West Indies test

In August Michael Atherton was contemplating stepping down as the England captain after four years in charge. Three months later he is anticipating the winter in the West Indies with enthusiasm, as David Llewellyn heard.

A lot has happened to Michael Atherton in the four years since he last led an England tour to the Caribbean. The dirt-in-the-pocket affair, a fine for dissent, the odd victorious rubber, a few more series defeats, a personal debate over whether he should step down from the job at the end of the Ashes summer, and the subsequent loss of the one-day captaincy.

Adam Hoolioake has the honour of leading an England side in the Champions' Cup in Sharjah, but yesterday, as Atherton contemplated a tough tour to the West Indies, he was as relaxed as he has ever been and intimating that he would like to lead England in the one-day series in the Caribbean as well.

"The captaincy is not a decision that is in my hands," Atherton said. "But last season I led us to a 3-0 series win over Australia. I accept I am not part of the one-day squad. It's up to me to get back in it. But I did score a hundred in the second Test-a-Cup Trophy match against Australia at The Oval last summer." A gentle reminder that he can bat a bit in the shorter game.

But it is the Test series which matters and, his own technique aside, Atherton is a far more confident leader of his men than he was in the winter of 1994. Then he had two matches as captain under his belt, a win and a defeat against Australia.

"Looking back I was very green," admitted the England opener, who has now been in charge for a total of 46 of his 73 Tests. "That is not to say I think I did a bad job, but I have learned masses of things since then and I will be a lot better prepared to handle whatever comes around this time."

Atherton had to take five days out immediately after the final Test against Australia before making up his mind, but he said: "I am pleased with my decision. Four years ago when I was first appointed I was very enthusiastic. I'm still enthusiastic about the job but not as naive."

Now he can contemplate taking on the West Indies with greater equanimity. The Caribbean collective may be in apparent disarray and struggling in Pakistan, but Atherton does not assume they are any the weaker. "Pakistan is a tough place to tour," he warned. "I think the West Indies will be a different side at home."

"In general the England team plays good cricket in the West Indies and this time I know what I'm in for as captain and opening batsman." In recent history, targeting a key figure in a touring side is a standard tactic in the Caribbean.

"I've enjoyed playing against the West Indies in the last two series." And no wonder, in that time he has taken three centuries and as many fifties off the world's most feared attack. "It's a challenge playing them. You have to concentrate and play well to score runs. As an opening batsman it's the biggest challenge there is."

That 1994 series heralded a wonderful run of form for Atherton. He is clearly looking for something similar this time around, and the captaincy no longer represents a burden. England expects.

## Lara to return as Warwickshire captain

Brian Lara is to rejoin Warwickshire next season and will also be appointed captain. The record-breaking West Indies batsman was offered the captaincy after his solicitors had indicated he would accept a one-year contract.

Nick Knight, the England A skipper, will continue as vice-captain but Tim Munton is to lose the captaincy after missing last season because of a back injury.

Munton was informed that he would be standing down before the cricket committee met to offer the leadership to Lara.

Dennis Amiss, the county's chief executive, said: "Brian has international experience as a

captain and we were impressed by his tactical awareness when he was here in 1994.

Lara, currently touring Pakistan with the West Indies, is expected to sign the contract during a stop-over in London on his way home from the Sharjah tournament next month.

Depending on his commitments in the Caribbean domestic competition next spring, he could resume in county cricket on 17 April against Durham at Edgbaston.

Lara hit his world record score of 501 not out against Durham at Edgbaston during Warwickshire's triple-winning campaign in 1994.

Warwickshire have been negotiating with Lara for several months, but only a few days ago there were reports from Pakistan that he was "still not sure" about accepting their offer.

Munton admitted he was "a little bit surprised" by the timing of the county's decision to appoint Lara as his successor.

Munton had been set a Christmas deadline to confirm his recovery from back surgery and a specialist reported favourably on his progress last week.

"There's no doubt if Tim had been able to prove his fitness we would have reappointed him," Amiss said.

## WEEKEND FIXTURES AND POOLS FORECAST

### FA Cup First Round

- 1. Burnley v Leeds
- 2. Bolton v Walsley
- 3. Chelsea v Derby
- 4. Coventry v Leicester
- 5. Crystal Palace v Newcastle
- 6. Everton v Tottenham
- 7. Southampton v Sheffield Wed
- 8. West Ham v Aston Villa

Playing Sunday: Arsenal v Liverpool, Manchester United v Blackburn.

### Nationwide League

- 1. 10 Bradford City v Norwich
- 2. 11 Huddersfield v Bury
- 3. 12 Middlesbrough v West Brom
- 4. 13 Oxford v Port Vale
- 5. 14 Sheffield United v Crewe
- 6. 15 Stockport v Manchester City
- 7. 16 Stoke v Reading
- 8. 17 Sunderland v Tranmere
- 9. 18 Wolves v QPR

Playing Friday: Charlton v Swindon.

### Second Division

- 1. 20 Brentford v Wrexham
- 2. 21 Bristol Rovers v Millwall

### Playing Sunday: Coca-Cola Cup final

- 1. Cardiff v Dundee United (at Ibrox)

### First Division

- 1. 42 Arsenal v Sheffield Albion
- 2. 43 Morton v Partick
- 3. 44 Hamilton v Dundee
- 4. 45 Raith v Ayr
- 5. 46 St Mirren v Falkirk

### Second Division

- 1. 47 Brechin v Clyde
- 2. 48 Inverness v Queen of the South
- 3. 49 Livingston v East Fife

Also playing (not on coupons): Stenhousemuir v Clydebank, Stranraer v Forfar.

### Third Division: Alton v Albion, Berwick v Ross County, Cowdenwath v Queens

Park, Dumfries v Arbroath, Montrose v East Stirling.

Four drivers: Crystal Palace v Newcastle, Preston v Fulham, Cardiff v Scarborough, Morton v Partick.

Five away: Leeds, Nottingham Forest, Bristol City, Hartlepool, Dundee.

Ten home: Chelsea, West Ham, Birmingham, Middlesbrough, Wolverhampton, Chesterfield, Walsley, Mansfield, Rangers, Raith.

## RACING RESULTS

### HUNTINGDON

- 1.10: 1. ITS GRAND (J Power) 8-1; 2. The Elderly 10-1; 3. Viceroy 10-1; 4. Middy 12-1; 5. 11-1; 6. 11-1; 7. 11-1; 8. 11-1; 9. 11-1; 10. 11-1; 11. 11-1; 12. 11-1; 13. 11-1; 14. 11-1; 15. 11-1; 16. 11-1; 17. 11-1; 18. 11-1; 19. 11-1; 20. 11-1; 21. 11-1; 22. 11-1; 23. 11-1; 24. 11-1; 25. 11-1; 26. 11-1; 27. 11-1; 28. 11-1; 29. 11-1; 30. 11-1; 31. 11-1; 32. 11-1; 33. 11-1; 34. 11-1; 35. 11-1; 36. 11-1; 37. 11-1; 38. 11-1; 39. 11-1; 40. 11-1; 41. 11-1; 42. 11-1; 43. 11-1; 44. 11-1; 45. 11-1; 46. 11-1; 47. 11-1; 48. 11-1; 49. 11-1; 50. 11-1; 51. 11-1; 52. 11-1; 53. 11-1; 54. 11-1; 55. 11-1; 56. 11-1; 57. 11-1; 58. 11-1; 59. 11-1; 60. 11-1; 61. 11-1; 62. 11-1; 63. 11-1; 64. 11-1; 65. 11-1; 66. 11-1; 67. 11-1; 68. 11-1; 69. 11-1; 70. 11-1; 71. 11-1; 72. 11-1; 73. 11-1; 74. 11-1; 75. 11-1; 76. 11-1; 77. 11-1; 78. 11-1; 79. 11-1; 80. 11-1; 81. 11-1; 82. 11-1; 83. 11-1; 84. 11-1; 85. 11-1; 86. 11-1; 87. 11-1; 88. 11-1; 89. 11-1; 90. 11-1; 91. 11-1; 92. 11-1; 93. 11-1; 94. 11-1; 95. 11-1; 96. 11-1; 97. 11-1; 98. 11-1; 99. 11-1; 100. 11-1; 101. 11-1; 102. 11-1; 103. 11-1; 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# 29/RACING

THE INDEPENDENT  
WEDNESDAY  
26 NOVEMBER 1997

n relishes  
dies test

## Son's setback mars a One Man show

It was supposed to be a tight contest between three of Britain's top steeplechasers, but injury to Martha's Son spoiled appreciation of One Man's success in yesterday's Peterborough Chase.

Richard Edmondson reports from Huntingdon.

One Man won, but one contest and a racehorse were badly damaged here yesterday when Martha's Son broke down in the Peterborough Chase. What had been billed as a definitive encounter of the champions concluded in muted celebrations and enquiries about the welfare of the Queen Mother Champion Chase.

tration from what had been another compelling display by One Man. His jumping and movement was once again sublime, and he threw in another foxy moment when he took his hooves off the handlebars and coasted home.

This was a different One Man than the one we had seen at Wetherby. This time he was a tighter, race-taut figure. His dark eye looked keen in the parade ring, like coal in the snow.

Martha's Son circled with his trademark rock of the tail as if the racecourse show would soon have to be replaced.

Viking Flagship, the last of the big three, suggested that the years have hardly eaten at his store of energy. He was a must-see in the preliminaries, thrashing around with the excitement of a skittish juvenile making its course debut rather than an old flyer on his 51st mission.

The Last Fling pulled around the original six-strong field until the fourth fence, after which Martha's Son was immediately brought to a halt. There was almost a second moment of deflation at the fence out of the straight, when the leader fell and Viking Flagship had to display his nimbleness.

After that, One Man, at the head of the field, was a beacon in the creeping gloom. His



Fluidity: One Man soars over the water-jump ahead of Viking Flagship on the way to victory at Huntingdon yesterday

Photograph: Robert Hallam

riding, Richard Dunwoody, was pressing on in an effort to draw the sting from a rival who was no longer in the race. "There was no point hanging around as the plan was to burn off Martha's Son's speed," the jockey said, "but then I turned round and asked Adrian [Maguire, Viking Flagship's jockey] where Martha's Son was just before the ditch and he told me he'd pulled up."

One Man flew the second last and behind him the green-

ery did the same as Viking Flagship's challenge evaporated in a single error. Then came a repetition of the grey's dying swan finale as he trundled home unconvincingly. "He pricked his ears on the run-in because it was too easy for him," Dunwoody reported. "He's an intelligent horse."

Gordon Richards, the winning trainer, added: "He jumped well, with his ears pricked, but when he heard the crowd he was having a little look

again. He knew that he had done his job."

Richards had been searching for vindication that his horse was good enough to take on the best two-milers (if he goes to the Festival, the Champion Chase will be his objective) and was rather disappointed that the evidence was not conclusive. "I'm sad about the other horse because he was the one we really wanted to test ourselves against," he said. "Today was a day I was meant to find

out, but I can't do that against Martha's Son now. I don't think ours is a Gold Cup horse any more and we just wanted to see if he had as much speed as we think he has."

"Even if he'd got beat today, we'd still have gone to Kempton [for the King George VI Chase] because that's always been our race. He's one of the best-rated chasers and it's just a pity he can't win a Gold Cup. I've got to dig another one out of the bag."

## Anger over early opening

Four of the 14 stalls opened early in the opening race at Lingfield yesterday but, following an inquiry, track officials allowed the result to stand.

Stalls one to four opened half a second before the others in the 10-furlong race won by the 16-1 shot Jubilee Scholar (drawn 12), who beat Grooms Gold (3) and Temptress (5).

Most racegoers believed the race would be declared void, but the stewards confirmed the result. This brought an eruption of abuse from the crowd.

Hugh Collingridge, trainer of fifth-placed Captain's Day (10), said: "I can't believe what I'm hearing. Those four got a two to three-lengths advantage on the rest."

## Scotland Yard on doping case

The Jockey Club yesterday confirmed that Scotland Yard is involved in the investigation into the alleged doping of two horses in the spring.

Their inquiries centre on the Josh Gifford-trained Livey Knight and Avanti Express, trained by Charles Egerton, who both tested positive after running last-luck races in defeat. Both horses tested positive to a drug believed to be the tranquilliser acetylpromazine.

Christopher Foster, executive director of the Jockey Club, said: "Evidence of criminal activity was revealed and as a result the matter was passed to the police some months ago."

## CHEPSTOW

**12.50 EDMOND (nap)**  
**1.20 RACING HAWK**  
**1.50 Peterborough Place**  
**2.20 Name Of Our Father (nb)**

**GOING:** Soft (Heavy in places).  
● Left-hand, undulating course with stiff fences.  
● Course is on A66, Chepstow station (Cardiff - Gloucester line). Im. ADMISSION: Club 24; Terraces 50 (Café 25). CAR PARK: Free.  
● LEADING TRAINERS: L. 28 winners from 173 runners (22.5%); P. Hobbs 19-70 (27.1%); N. Twiston-Davies 19-70 (26.4%); D. Nicholls 18-56 (25.6%).  
● LEADING JOCKEYS: A. P. McCoy - 27 wins from 122 rides gives a success ratio of 22.5%; R. Dwyer 24-21 (23.8%); J. P. O'Brien 19-77 (23.9%); C. Llewellyn 19-50 (25.7%).  
● FAVOURITES: 145 wins in 322 races (45%).  
● BLINKERED FIRST TIME: Racing Hawk (20), Dwyer (23), Barry Hill Lad (23), Lily The Fly (23).

**12.50 STERLING FLUID SYSTEMS 'NATIONAL HUNT' NOVICE HURDLE (CLASS C) £5,000 added 2m 4f 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**BETTING:** 7-4 Richard Hobbs, 5-1 Edmond, 5-1 RACING HAWK, 12-1 Peterborough Place, 14-1 Name Of Our Father (nb).  
● Left-hand, undulating course. Run-in of 250yds.  
● Course is on minor road 2m S of Chepstow. Medium station 2m. Im. ADMISSION: Club 25; Terraces 50 (Café 25). CAR PARK: Free.  
● LEADING TRAINERS: L. 28 winners from 173 runners (22.5%); P. Hobbs 19-70 (27.1%); N. Twiston-Davies 19-70 (26.4%); D. Nicholls 18-56 (25.6%).  
● LEADING JOCKEYS: A. P. McCoy - 27 wins from 122 rides gives a success ratio of 22.5%; R. Dwyer 24-21 (23.8%); J. P. O'Brien 19-77 (23.9%); C. Llewellyn 19-50 (25.7%).  
● FAVOURITES: 145 wins in 322 races (45%).  
● BLINKERED FIRST TIME: Racing Hawk (20), Dwyer (23), Barry Hill Lad (23), Lily The Fly (23).

**1.00 EBF 'NH' NOVICE HURDLE (QUALIFYING) (CLASS E) £3,000 added 2m**  
1. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
2. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
3. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
4. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
5. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
6. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
7. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
8. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
9. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn  
10. 12-2 COUNTRY OCHER (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. C. Llewellyn

**1.30 BLAKE ARMS HANDICAP CHASE (CLASS F) £3,500 added 2m 4f 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
6. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**1.50 JOHN EUSTACE SMITH NOVICE HANDICAP CHASE (CLASS E) £4,200 3m 1f**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
6. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
7. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**1.20 SUGO SELLING HURDLE (CLASS G) £2,500 added 2m 4f 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
6. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
7. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**1.50 STERLING FLUID SYSTEMS HANDICAP CHASE (CLASS C) £5,000 added 2m 4f 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
6. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
7. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**2.30 ROYAL OAK AND HERD HOLT HANDICAP HURDLE (CLASS F) £2,500 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**3.00 LAZARD PRIVATE CLIENTS NOVICE CHASE (CLASS D) £4,200 2m 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**3.30 FEDERATION BREWERY OPEN NH FLAT RACE (CLASS H) £1,550 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**2.20 KERRY HANDICAP HURDLE (CLASS C) £5,000 added to stakes 3m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**2.50 TIPPERARY NOVICE CHASE (CLASS E) £4,100 added 2m 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**3.20 WEATHERBY'S STARS OF TOMORROW OPEN NH FLAT RACE (CLASS H) (DIV I) £2,000 added 2m 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**3.50 WEATHERBY'S STARS OF TOMORROW OPEN NH FLAT RACE (CLASS H) (DIV II) £2,000 added 2m 110yds**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
6. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.40 RACING FOR LIFE REID MINTY HANDICAP CHASE (CLASS E) £4,575 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.10 RACING FOR LIFE NOVICE HANDICAP CHASE (CLASS E) £4,575 3m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.20 EVERETT MANAGEMENT NOVICE HURDLE (CLASS D) (DIV I) £4,150 2m 4f**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.30 EVERETT MANAGEMENT NOVICE HURDLE (CLASS D) (DIV II) £4,150 2m 4f**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.40 RACING FOR LIFE REID MINTY HANDICAP CHASE (CLASS E) £4,575 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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**4.50 RACING FOR LIFE REID MINTY HANDICAP CHASE (CLASS E) £4,575 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

**4.50 RACING FOR LIFE REID MINTY HANDICAP CHASE (CLASS E) £4,575 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
4. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
5. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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7. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
10. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day

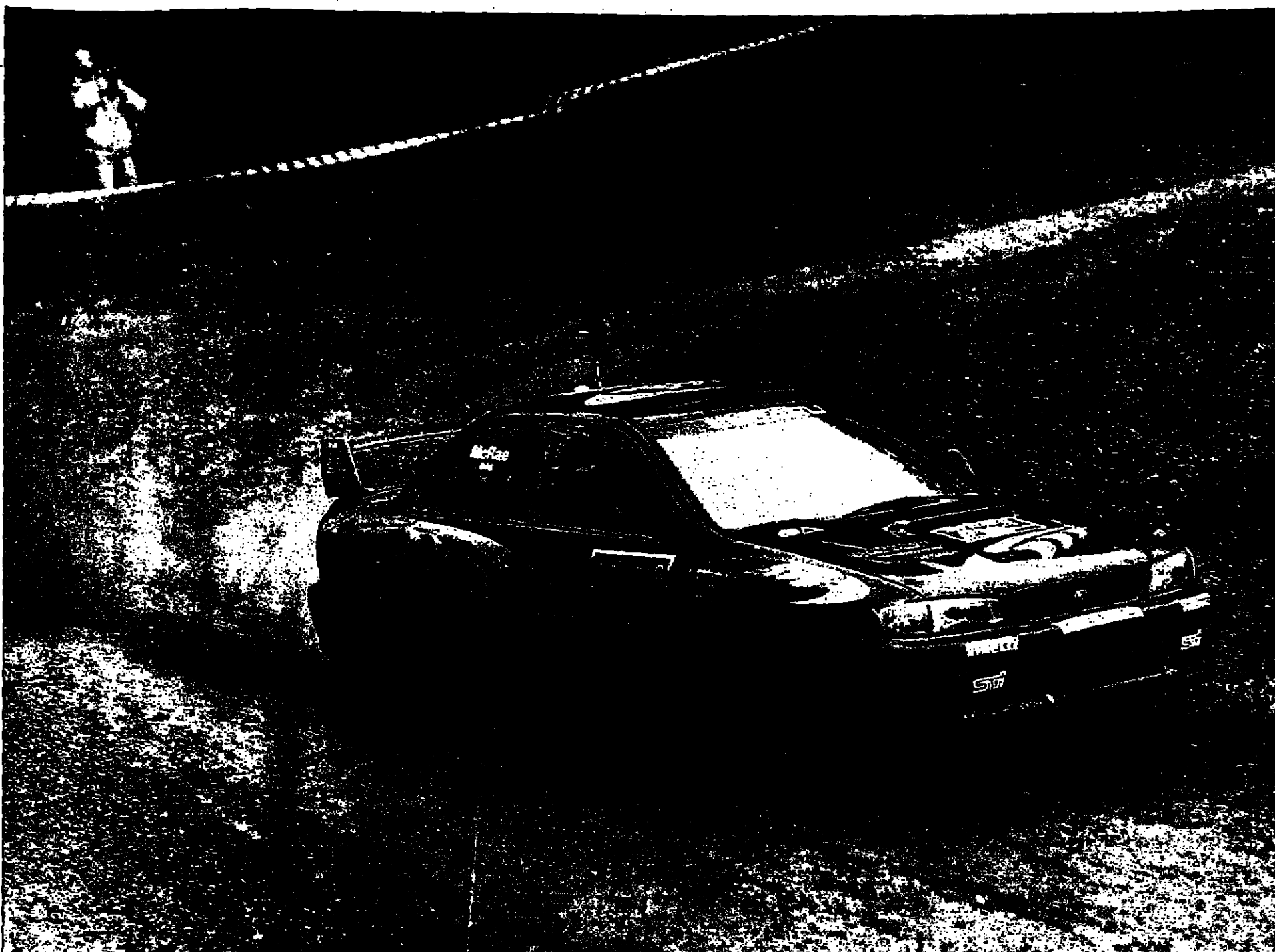
**5.00 RACING FOR LIFE REID MINTY HANDICAP CHASE (CLASS E) £4,575 2m**  
1. 50- BEN EXETER (27) (W. D. Gibson & M. Gibson) N. Twiston-Davies 5 11 0. C. Llewellyn  
2. 22- EDMOND (19) (W. D. Gibson & M. Gibson) P. Hobbs 5 11 0. A. Thornton  
3. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
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8. 54-4 RACING HAWK (19) (W. D. Gibson & M. Gibson) T. Day  
9. 54-4 RACING HAWK (19











The Subaru of Colin McRae and co-driver Nicky Grist provide a photographic opportunity on the Argood stage in Wales yesterday

Photograph: David Ashdown

FOOTBALL

## Gross starts with a new work ethic at Tottenham

Tottenham's players were yesterday getting used to life under a strict new regime as Christian Gross took charge of his first training session.

Gross watched from the stands as Spurs were beaten 1-0 by Crystal Palace on Monday night to leave them just a point off the foot of the Premiership table. His No 2, Chris Hughton, was in charge of team affairs and spoke in the absence of the new coach of the frustration at the loss at White Hart Lane, a fourth successive defeat.

Yesterday, however, Gross took total control and, echoing his disappointment at the defeat, outlined his tough new ideas and made it clear he will do it his way. His effect has already been felt as Spurs players trained yesterday, the morning after a game, on a traditional day off.

And there is more to come. After travelling to Everton on Friday afternoon they may train on Saturday morning before the game at Goodison and then again the day after.

Players will stay away from home even for home games and possibly train twice a day. Add that to the eight first-team players turning out for the reserves at Oxford today and you have some idea of the sweeping changes already made.

It remains to be seen if they produce results, but Gross said: "The players are receptive. It makes sense and they want to improve. I had a good feeling this morning working with the players. I have to convince them about my methods and my ideas."

"I am not going to change everything in one week. I am only going to introduce things that I am convinced are better and make sense, like training this morning. The players felt better after training than they did before."

The hard work he demands of his players for the good of the team has made some question the future of such players as David Ginola. But Gross is a fan of the Frenchman from Ginola's time at Paris St-Germain and expects a lot from the former Newcastle player, whatever role he has.

"It's too early to have a dis-

cussion about his final position. I know him from PSG. He can play on both sides. He uses both feet," said Gross.

"It's important that he is going to work for the team and bring his good attitude and he also has to score. I am demanding the midfield players to get into the box otherwise we are not going to score."

"He has to prove himself at Tottenham, not only for himself but also to get into the national team in France. I think he is hungry enough to go to the World Cup. He can prove to Aimé Jacquet he is ready."

Gross has a similarly high opinion of Darren Anderton and believes he can make the England squad for France, but is prepared to be patient with a player who has played just 16 games in the last two years.

The former Grasshopper manager has six games before the end of the year to haul Tottenham out of the danger zone and he wants to win all six, starting at Everton on Saturday.

He said: "You can't change much in five days. We have to be realistic. You can't expect that we are going to play an extraordinary game. We have to get a result against Everton. We are at the bottom and we need points."

He knows he faces an uphill struggle, but at least saw some encouraging aspects against Palace. He said: "It's a big challenge for me. Together we might be strong. It's a big club."

"I saw an unlucky team that started well and missed two good chances. Often the team that opens the scoring is going to win and that's what happened. They had a good spirit. I saw them fighting. It's a good attitude."

"We had a lot of possession but not much penetration into the penalty area. The actual situation is that we are at the bottom and we have to work hard to come out and I was happy to start this morning."

"I will give everybody a chance to prove what they can do and give for Tottenham. They have to be proud to wear a Tottenham shirt."

Van Gaal faces backlash, Newcastle preview, page 30

## McRae's honourable victory upstaged by Makinen's title

Despite Colin McRae's best efforts, which brought him victory in the Network Q RAC Rally which finished yesterday, the world championship still eluded him, Derick Alsop reports from Cheltenham.

Colin McRae coaxed his Subaru through the chequered door to receive the acclaim of the spectators, yet even as he celebrated his third consecutive victory on the Network Q RAC Rally, the ultimate triumph was being denied him.

Back there in the darkness of the racecourse, almost unnoticed, Tommi Makinen was competing his three-day business trip and securing the sixth place he required to retain the world championship.

Both men had achieved their objectives in the final round of the season, but the Finn's one point here proved decisive. It was the closest finish in the championship for 18 years.

McRae said: "I'm delighted to have won the rally again and I had fantastic support all the way through. But I have admit I'm a wee bit disappointed because we've lost the championship. We did all we could but Tommi did what he had to do. We may have won five rallies to his four, but he's got the championship and that's the way it goes."

"It was always going to be a long shot for us, but I said that if we couldn't win the champi-

onship I wanted us to in our home rally and we've done that."

Makinen had to struggle with a bout of flu as well as the steering wheel of his Mitsubishi and the effort was etched in his face. He said: "It has been a most difficult rally for me and it's incredible it has finished like this. We had transmission problems at one point and I thought we might lose the championship. All the way through I have had this flu and it's lucky for me I needed only one point because otherwise it could have been very difficult."

McRae and his co-driver, Nicky Grist, were already looking ahead to next year. "We're strong and should have a very good chance of the championship," the driver said. His more expressive navigator said: "We are going from strength to strength as a pair. Congratulations to Tommi on winning the championship this year, but we're out to kick your arse next year - and everyone else's."

The reception here was equally generous for Richard Burns, the joint overnight leader whose misfortune yesterday relegated him to fourth, behind the Ford pair, Juha Kankunen and Carlos Sainz.

The rally itself was effectively decided on the day's fateful third stage. Burns, having taken a 17-second lead on the opening test and held a 14-second advantage following the second, lost 4min 45sec changing a wheel after tearing the tyre.

McRae was more than two minutes in the clear and able to drive within himself for the re-

maining stages. Equally comfortable, however, was Makinen in sixth place. He also had the insurance of Burns, his teammate, who could have been instructed to fall back if necessary.

Burns' intention had been to hand Makinen the title by registering his maiden world championship rally victory. The Englishman said: "I'm absolutely gutted it's all over. I was flying through the stage and then suddenly hit a rocky section and punctured."

The sense of deflation was contagious. McRae said: "I'm both relieved and disappointed. It would have been a great battle if it had continued. There was nothing I could do about Tommi. Like me, he just cruised to the finish."

This air of anticlimax enveloped the closing proceedings, even if McRae and company put on an appropriate show of jubilation for the gallery at the finish. McRae's younger brother, Alistair, completed a family double by winning the Formula 2 section in his Volkswagen Golf.

One pair who did not make it to the racecourse ceremony were some Japanese competitors who apparently pulled out in despair on hearing of the collapse of the stockbrokers, Yamaichi.

The organisers were relieved to learn that none of the injuries sustained by competitors including John Leckie and Graham Lewis as well as a spectator on the previous day proved life-threatening.

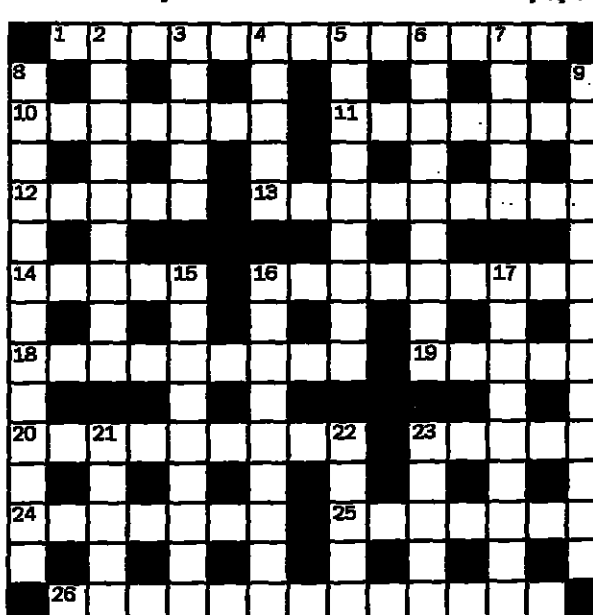
Results, Digest, page 31

### THE INDEPENDENT CROSSWORD

No. 3466. Wednesday 26 November

By Aquila

Tuesday's Solution



MEDICAMENT OPUS  
RAT RABBIT  
CHANGING RING  
A FAWN OF THE  
ROTOR SOBER  
O E E O Y H  
OVER THE COUNTRY  
R T E V P  
PATENT MEDICINE  
T I P R C O S  
WARDANCES YRUT  
O C P R L E U L  
ROMENAOE CLAU  
L O R E E S S  
YELL PENRUSHERS

- ACROSS**
- 1 Kipling's accounts set out with precision (4,2,7)
  - 10 Futile advice to the prodigal (7)
  - 11 One following ploughman's course? (7)
  - 12 The Vortex traditionally includes a background actor (5)
  - 13 Classified with respect to constitution (3,6)
  - 14 Husband a little bent? (5)
  - 16 "X-ray" seen over the door (9)
  - 18 Bleak, bare outcrop that can be cracked (9)
  - 19 Young bird in grass that surrounds centre of Hull (5)
  - 20 Material used in a passage of a Forster novel? (6,3)
  - 23 Clown opposed to circus opening (5)
  - 24 The globe in orbit (7)
  - 25 Ring doctor in a lot of trouble with lottery (7)
  - 26 Ladies put it in fashion to say banal things (13)

- DOWN**
- 2 Like Wilde's foxes, not fit for courses? (9)
  - 3 Letter in the form of an article on volunteers (5)
  - 4 Attack advanced position (5)
  - 5 Elope then, naughtily, with ring? (9)
  - 6 Competitors on the fells who never win outright? (7-2)
  - 7 Tenor leaves book in Surrey suburb (5)
  - 8 Sub-editor here, taking a break in Scotland (5,8)
  - 9 Napier's one cinerama hit, it turns out (13)
  - 15 Severely criticise what dismantler has to do (4,5)
  - 16 Three-quarters of bacteriology turns out to be buggy (9)
  - 17 Rash outbreaks? (9)
  - 21 Live here and get along nicely without oxygen (5)
  - 22 Wrongfully issued cheque, child having swallowed note (5)
  - 23 People never out of puff? (5)

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